



Consolidated Plan

**Annual Performance and Evaluation Report
(CAPER)**

**Commonwealth of Virginia
2007-2008 Reporting Period**

September 2008

**Department of Housing and Community Development
The Jackson Center
501 North Second Street
Richmond, VA 23219**

Executive Summary

The mission of the Department of Housing and Community Development (DHCD) is to work in partnership “to make Virginia’s communities safe, affordable, and prosperous places in which to live, work, and do business.” This document serves as a progress update (as required by the Department of Housing Urban Development –HUD) on meeting these goals, particularly those that are related to the Community Planning and Development (CPD) programs:

- Community Development Block Grant (CDBG),
- Emergency Shelter Grant program (ESG),
- HOME Investment Partnership program (HOME), and
- Housing Opportunities for Persons with AIDS (HOPWA)

These are HUD programs administered through DHCD. Needs assessment data, goals and objectives, and specific methods for distributing these program allocations are found in the *Consolidated Plan Action Plan 2007-08* document.

These CPD programs are integral components of broader efforts by the State through DHCD and other agencies to support the development or revitalization of communities throughout the Commonwealth. During the 2007-08 program year, and as outlined in the Consolidated Plan and 2007-08 Action Plan, Virginia pursued three broad priorities for allocating available housing resources and five priorities for allocating community development resources in support of housing and non-housing activities. DHCD developed strategies for each priority area and implemented appropriate actions toward their achievement.

The housing priority areas included increasing the availability and affordability of safe, decent, and accessible housing to low and very low-income persons; increasing the ability of communities to implement creative responses to community-based needs; and supporting policy development and research related to significant economic development, community development, and housing issues. Community development priorities stress assistance to locally identified areas of need addressing neighborhoods, housing resources, economic development opportunities, community facilities, and community service facilities. The Department’s strategies and actions offered direct assistance to citizens, localities, and other organizations. They also supported the State’s housing delivery system by addressing the current and future needs of housing providers, consumers, and communities.

The total federal 2007-08 allocation administered through the Department under these four federal Community Planning and Development (CPD) programs is about \$35.5 million.

Program	2007-08 Funding
Community Development Block Grants (CDBG)	\$19,767,000
HOME Investment Partnerships (HOME) + ADDI	\$13,498,170
Emergency Shelter Grants (ESG)	\$ 1,661,707
Housing for Persons with AIDS (HOPWA)	\$ 615,000
<i>Total</i>	<i>\$35,541,877</i>

DHCD also administered other federal funds, including Appalachian Regional Commission (ARC) community economic development programs; Department of Energy (DOE) weatherization/energy assistance monies; and 15 percent of Department of Health and Human Services (HHS) Low Income Home Energy Assistance Program (LIHEAP) funds made available through the Virginia Department of Social Services. In addition, state appropriations provided a critical source of flexible funding to complement available federal resources. State funds generally focused on specific housing and community needs, including the prevention of homelessness, the preservation and rehabilitation of existing owner and renter-occupied residential property, and the provision of drinking water.

The current reporting period covered by this CAPER is year five of five of the 2003-2008 State Consolidated Plan. The Department's performance during the 2007-08 program year has met or exceeded its goals.

2007-08 Overall Goals and Results		
	<i>Goal</i>	<i>Actual</i>
CDBG	See program narrative	See program narrative
HOME	443 units	710 units
ESG	2,000 beds	3,088 beds
HOPWA	200 households	281 households

Summary of Resources and Distribution of Funds

During the most recent reporting period, DHCD administered funds received from four Department of Housing and Urban Development (HUD) Community Planning and Development programs:

- Community Development Block Grant (CDBG) Program
- HOME Investment Partnership Program (includes American Downpayment Dream Initiative)
- Emergency Shelter Grant (ESG) Program
- Housing Opportunities for Person with AIDS (HOPWA)

Generally, this funding is distributed through the Department of Housing and Community Development (DHCD) across the state of Virginia primarily in non-entitlement areas through partnerships with:

- Local governments,
- Local non-profits,
- Housing developers, and
- Community Housing Development Organizations (CHDO).

These partners work to bring decent affordable housing, needed services, and community and economic development opportunities to some of Virginia's hardest to serve areas: areas that are typically rural and many localities in what are considered areas that are difficult to develop.

DHCD administered about \$36 million through these programs for the 2006-07 program year. All allocations from this program year are effectively committed to eligible projects and activities. In addition, all 2006-07 ESG and HOPWA funding has been fully expended. With just under 70 percent of the HOME and CDBG allocations expended to date, both program are on target for meeting expenditure requirements for their respective programs. CDBG and HOME projects tend to be complex multi-year undertakings (e.g., 100 unit rental apartment complex development).

All ESG and HOPWA projects selected for funding during the 2006-07 program year had funding commitments executed within one month of DHCD's HUD authorization of funding and 100 percent of 2006-07 funding has been expended.

Summary of Resources and Distribution of Funds 2006-07				
	Allocation	Program Income	Percent Committed	Percent Expended
CDBG	\$19,568,928	\$34,709	100%	23%
HOME*	\$14,519,314	\$835,291	100%	69%
ESG	\$1,571,410	NA	100%	100%
HOPWA	\$618,000	NA	100%	100%

Source: PR01

*Includes ADDI (American Downpayment Dream Initiative).

For the reporting period covered by this CAPER (2007-08), 100 percent of the ESG and HOPWA allocations are committed, and 100 percent has been expended. The remaining programs range from 40 percent (HOME) of funding committed to 83 percent committed (CDBG).

All ESG and HOPWA projects selected for funding during the 2007-08 program year had funding commitments executed within one month of DHCD's HUD authorization of funding. Specifically, ESG funding commitments were executed on July 5, 2007 (with the exception of one sub-grantee commitment not made until August 2, 2007). All

2007-08 sub-grantee/project sponsors' activities commitments are 100 percent drawn (2007, IDIS PR02).

Summary of Resources and Distribution of Funds 2007-08				
	Allocation	Program Income	Percent Committed	Percent Expended
CDBG	\$19,767,200	\$41,667.63	83%	0%
HOME*	\$13,772,554	\$711,727.50	40%	0%
ESG	\$1,668,289	NA	100%	100%
HOPWA	\$615,000	NA	100%	100%

Source: PR01

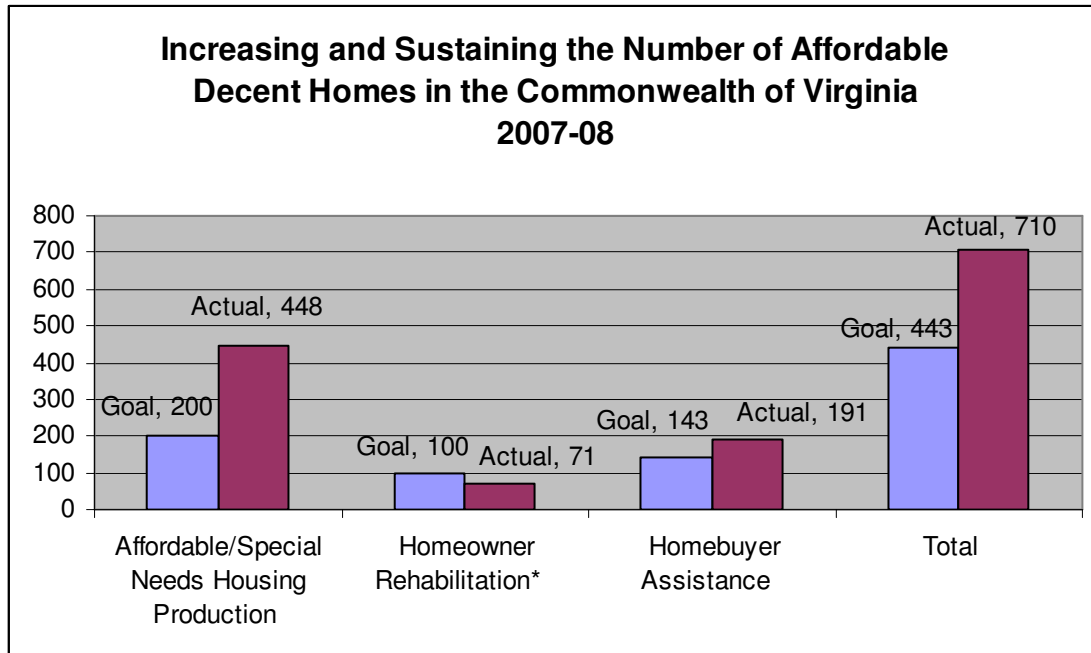
**Includes ADDI (American Downpayment Dream Initiative).*

Progress on Goals

In program year 2007-08, the Department continued to work toward meeting housing needs across the entire Commonwealth--especially those associated with lower-income residents and citizens with special housing needs. DHCD focused on coordinating housing resources, strengthening the organizational and service delivery capacity of housing providers, increasing the coordination between housing and community development activities, and seeking more innovative ways to leverage additional resources for housing and community development needs.

Overall DHCD has made substantial progress toward its five year goals. This report represents year five of five and as such shows that DHCD will exceed its overall five year goals and its annual reporting period goals.

DHCD exceeded its annual goal of 443 units of decent affordable housing. This includes the development of affordable homeowner and rental units, the rehabilitation homeowner units, and assisting 191 low-income first-time homebuyers into affordable homeownership.



**Note this program leverages state general funds. A total of 109 units were completed including those units completed with only state general funds.*

The Department planned to provide housing assistance to 200 low-income individuals with HIV/AIDS. At year end DHCD had served 281 individuals with HIV/AIDS and their families. The Department sought to improve the availability of suitable living environments by providing shelter operational support for 2,000 shelter beds in Virginia. The number of actual beds supported through the Emergency Shelter Grant (ESG) program during the program year was 3,088. These beds assisted 17,651 individuals who were experiencing homelessness in Virginia during this program year.

Priority Need Category	Actual Units				
	2003	2004	2005	2006	2007
Renters					
0-30% of MFI	48	39	121	39	128
31-50 % of MFI	31	25	50	502	268
51-80 % of MFI	28	23	13	154	28
Total	107	87	184	695	424
Owners					
0-30% of MFI	246	181	101	224	76
31-50 % of MFI	464	430	264	362	123
51-80 % of MFI	443	542	217	406	246
Total	1,153	1,153	582	792	445
Homeless					
Individuals*	18,358	15,744	20,798	10,616	17,651
Total					
Non-Homeless Special Needs					
Total	206			249	281
Total Housing**	1,466	1,240	767	1,487	869
Total 215 Housing				1,487	869

**These are individuals experiencing homelessness who received residential services during the program year. There is at least some change in data collection methods between 2005 and 2006. Actual comparable number served in 2006 is likely closer to the 2005 actual unit number.*

***Housing includes all CDBG Housing, HOME Housing, and any housing units provided through HOPWA. ESG or shelter is considered temporary shelter for the purposes of this analysis and therefore not included in the total housing count.*

Total Housing	2003		2004		2005		2006		2007	
	Non-Hispanic	Hispanic	Non-Hispanic	Hispanic	Non-Hispanic	Hispanic	Non-Hispanic	Hispanic	Non-Hispanic	Hispanic
White	582	6	468	4	363	4	442	18	349	6
Black/African American	622	3	726	1	519	0	750	1	475	1
Asian	4	0	4	0	6	0	11	0	8	0
American Indian / Alaskan Native	4	0	5	0	2	0	0	0	2	0
Native Hawaiian / Other Pacific Islander	12	1	10	1	4	0	0	0	2	0
American Indian / Alaskan Native & White	0	0	0	0	1	0	0	0	0	0
Asian & White	1	0	1	0	0	0	3	0	3	0
Black / African American & White	2	0	1	0	1	0	0	0	8	0
American Indian / Alaskan Native & Black / African American	0	0	0	0	0	0	0	0	0	0
Other Multi Racial	14	7	10	7	24	20	30	10	22	9
Total Housing										
Total Racial/Ethnic	1241	17	1225	13	920	24	1237	30	869	16

Affirmatively Furthering Fair Housing

Virginia's efforts relating to fair housing include training events, investigative practices, and enforcement activities. Although these activities involve more than one state agency, there is a significant degree of coordination between them.

Virginia's Fair Housing Office (FHO) serves as the Commonwealth's primary fair housing investigative office. The FHO remains within the Virginia Department of Professional and Occupational Regulation (DPOR) and continues to investigate allegations of housing discrimination and educate housing providers and consumers about the fair housing law.

FHO investigated and closed 107 cases during the program year. Of these, the FHO conciliated 24 cases. The FHO therefore conciliated approximately 20 percent of its cases.

In program year 2007-2008, the FHO conducted some 94 training and outreach activities at numerous locations throughout Virginia. These included Virginia's annual

housing conference, the annual conference of the Virginia Association of Realtors, homebuilder expos, apartment management association meetings, regional Realtor Association meetings, as well as smaller group and individual meetings. Approximately 7,000 individuals, including property managers, real estate professionals, newspaper staff, local building officials, housing builders, housing architects, housing consumers, and housing providers attended these sessions.

The FHO continued to distribute numerous fair housing publications. These included a general fair housing brochure, brochures for architects and builders, poster, bookmark, and 44-page disability booklet. The FHO also distributes a Spanish language fair housing brochure, bookmark, and poster and provides fair housing classes in Spanish. The FHO web site serves as a convenient medium for providing information and communication links to housing providers and consumers.

DHCD provides education and training activities designed to further the achievement of fair housing in communities participating in a variety of state-administered programs for housing and community development.

Virginia's state-administered CDBG and HOME Programs provide one focal point for activities furthering fair housing. Grantees must undertake at least one of several possible actions in the areas of enforcement and/or promotion of fair housing during each year that a CDBG or HOME project is active. One activity that will satisfy this requirement is attendance by a member of the local governing body or the chief local administrative official and a second local representative at a fair housing workshop approved by DHCD. Other options include: (1) adopting of a fair housing resolution and subsequent local advertising, (2) publishing and distributing fair housing brochures, (3) increasing local awareness of fair housing requirements through public education and information activities, (4) preparing a formal Assessment of Impediments, or (5) undertaking a survey of special housing problems affecting women and minorities and developing a plan to counter the effects of discrimination. DHCD requires that the selected actions are highly visible to the public and that they involve elected officials. Grantees must select a different fair housing activity for each year a grant is active and provide documentation of their completion.

In early 2004, DHCD undertook an assessment intended to identify impediments to fair housing choice within the jurisdiction that would serve as a basis for continuing actions that would overcome the effects of any impediments identified through the analysis. Because the state-administered, federally-funded programs cover a significant portion of Virginia's land area and population, the analysis took a broad perspective. It considered data sources that cover the entire state yet that are also indicative of general conditions that could be addressed through action at the state level. It included a review of pertinent demographic trends, a review of various indices of residential segregation, a consideration of mortgage lending activities reported because of the Home Mortgage Disclosure Act (HMDA), and a review of the circumstances of fair housing complaints brought before the state Fair Housing Office. In addition, and reflecting the concentration of fair housing complaints within the metropolitan regions of the state, the review also examined locally prepared analyses of impediments and the

results of testing programs conducted by statewide or locally-based fair housing organizations and agencies. Finally, the Department surveyed 135 units of local government to assess the degree to which local authorities had recognized or responded to fair housing issues within the cities and counties of Virginia.

The assessment identified the following areas of concern:

- The effectiveness of Virginia's building regulations in assuring the accessibility of housing subject to the Fair Housing Act Accessibility Guidelines,
- The persistence of significant racial differentials in home ownership rates,
- The apparent confusion among persons involved in rental property transactions with respect to the concept of "accessibility",
- The significance of poor credit ratings on minority access to mortgage financing and the impact of "predatory lending" on the credit standing of lower income or minority households.
- The importance of assuring that program policies and regulations encourage actions that go beyond the minimum responses in addressing fair housing at the local level, and
- The recognition that laws and regulations must take into consideration potential impacts on the availability and affordability of a wide variety of housing options.

The assessment included a number of recommendations for action that could respond to the areas of concern. These included:

- Finding ways to assure that design professionals apply accessibility standards properly in their practice and code enforcement authorities meet their obligations to see that buildings meet current building regulations and therefore comply with the accessibility guidelines,
- Implementing new training requirements for real estate personnel that increase their awareness of fair housing requirements,
- Implementing new certification programs reaching certain unlicensed persons involved in residential rental transactions,
- Including an emphasis on the importance of credit maintenance in home ownership programs and homebuyer education activities undertaken through state housing entities and their local partners,
- Encouraging grantees of housing and community development programs to go beyond minimum requirements and to take other more proactive steps to facilitate actively fair housing access, and
- Participating in legislative and regulatory processes to raise questions or concerns about issues that could have adverse consequences for housing affordability or otherwise serve to impede the attainment of fair housing.

Since completing the assessment, DHCD has participated in efforts associated with the Virginia Housing Commission and the Building Code Academy that are intended to address some of the specific concerns it identified. In particular, state agencies have

addressed new requirements for real property management employees, addressing awareness of fair housing and the inclusion of more emphasis on accessibility issues in implementing the Uniform Statewide Building Code.

Progress in Providing Affordable Housing

The HOME program produced a total of 710 housing units during the 2007-08 program year. About half or 343 of these housing units were rental units whereby assistance was used for:

Rental Units

- Acquisition/Rehabilitation
- New Construction
- Units for Special Needs Households

Homeowner activities included both rehabilitation and development and totaled 367 units:

Homeowner Units

- Homeowner rehabilitation assistance
- Production (new construction and rehabilitation)
- Homebuyer assistance

Please note that CDBG projects often benefit households indirectly as compared to HOME benefits. HOME primarily produces housing units for specific low-income households. The CDBG program completes primarily community-based community development and economic development projects that are intended to provided results on a neighborhood, community, and/or locality level.

Affordable housing related activities conducted through both the CDBG program and the HOME program benefit (direct and indirect) more than 28,000 low to moderate income households in Virginia.

Continuum of Care

The Department also works to address the worst case needs through the facilitation of the balance of state Continuum of Care. In 2006-7 program year, the coverage of the Balance of State Continuum of Care was increased to include all remaining areas in the state not covered by local continua. The total coverage includes Planning Districts 1-4, 9, 13 and 14, 17 and 18, and 22. The Department is also responsible for the Homeless Management Information System (HMIS) for the balance of the state (initially awarded as a result of the 2005 CoC application). The HMIS will enable the state to better analyze the true nature of homelessness in Virginia and ensure that resources are allocated to appropriately match the needs.

In conjunction with the Continuum of Care, the state administers both federal (ESG) and state funds to Shelter Support Grant (SSG) programs to help homeless families and individuals in emergency shelters and transitional housing facilities. Grantees in the

ESG entitlement cities are ineligible for funding from the state's Emergency Shelter Grant (ESG) component.

Temporary Assistance to Needy Families (TANF) Program funds available to DHCD through the Department of Social Services supports SSG grantees. In 2007-08, a total of \$3,475,247 TANF funds supported Shelter Support Grant Program eligible activities.

During the year, DHCD allocated both SSG and ESG grants based on the number of beds available to serve the homeless (70 percent); shelter bed utilization (15 percent); and the level of support services (15 percent). Funding for seasonal facilities (e.g., winter shelters) was based on the average daily bed count and prorated for the number of months the shelter was in operation.

Grants of state and/or federal funds supported about 5,664 shelter beds in the 2007-08 year through about 118 project sponsors spread across the Commonwealth

The Child Services Coordinator Grant (CSCG) program contributes support for the salary, wages, and any other associated personnel costs for a professional child services coordinator providing case management and direct services to children in homeless and domestic violence shelters in Virginia. Nonprofit organizations and local governments receiving SSG funding and providing emergency shelter and transitional housing are eligible recipients of CSCG funds. Applicants must be able to document a minimum average monthly census of at least five homeless children, who have remained in the facility an average of four consecutive days in the last fiscal year.

The CSCG program addresses the needs of homeless children by:

- Insuring that professional child service resources are available to Virginia's emergency and transitional shelters serving homeless families with children through linkages in the community.
- Improving service delivery to homeless children through increased information sharing, collaborative planning, and analysis and referral to existing resources.
- Emphasizing parental choice and participation in the coordination of services for children.

The Homeless Intervention Program (HIP) supports grants and loans (only applicable for mortgage assistance) that may be used for temporary mortgage or rental assistance, security deposits, and housing counseling for low-income households that are in imminent danger of becoming homeless. Nonprofit agencies and governmental entities, including cities, towns, counties, and redevelopment and housing authorities are eligible to apply for program funds through a competitive process. Twenty-six grantees or local administrators provided program services throughout the entire state during the 2007-08 program year.

DHCD allocated HIP funding totaling \$5,100,000 to 26 local administrators. The state general funds comprise \$4.5 of the HIP funding and the remaining \$600,000 are

Temporary Assistance to Needy Families (TANF) funds.

The Department has been the host agency for the Virginia Interagency Action Council for the Homeless (VIACH). VIACH serves as a statewide leadership organization to eliminate homelessness in Virginia by facilitating communication, cooperation, coordination, and collaboration between federal, state and local governmental entities, not for profit agencies, and advocacy groups that serve the homeless. VIACH's membership includes representatives from four federal government and eight state government agencies, three statewide advocacy organizations and continuum of care planning groups from across Virginia.

In the previous years, VIACH members have worked on two key initiatives, the creation of a statewide homeless management information system (HMIS) and *Virginia's Ten Year Plan to End Homelessness*. With leadership from the Department, the Balance of State Continuum of Care received funding for a HMIS through the 2005 SuperNOFA. HOMEWARD, Richmond's homeless services coordinating organization, is currently administering the HMIS for several local continua across the state and encouraging other continua to join their existing network. As of 2007, DHCD has contracted with Homeward to administer the Balance of State HMIS system. In addition, VIACH is beginning the process of updating the *Virginia's Ten Year Plan to End Homelessness*.

Other Actions

The Action Plan included strategies addressing regulatory impediments to the preservation or creation of affordable housing. These strategies have shifted over time, reflecting recent achievements and changes in the circumstances influencing housing affordability. The Housing Needs Assessment completed in 2001 and increased involvement by VHDA and DHCD in responding to the housing needs of persons with disabilities continued to influence this year's activities. The Disability Commission underscored this by ranking housing needs among the most significant concerns for persons with disabilities and by establishing a housing work group to develop responses. Among the Housing and Community Development actions included in the program year 2007-08 Action Plan, the Department indicated its intent to address a variety of barriers to affordable housing. Actions included continued support for uniform building code requirements for both new construction and rehabilitation—including accessibility requirements. The priority of addressing expanded housing opportunities for populations requiring supportive services called for increased involvement in efforts to promote housing accessibility for persons with disabilities. The Department indicated the need for continued scrutiny of regulations that can affect housing affordability. The Action Plan also proposed the following actions addressing the environment for the production or preservation of affordable housing:

- Continue to coordinate project funding through various sources in a way that will reduce nonessential duplicative requirements.
- Continue to administer a Uniform Statewide Building Code (USBC) that emphasizes the attainment of public health and safety goals for new construction and maintenance at the least cost, consistent with those goals.

- Promulgate a new edition of the USBC that incorporates updated provisions of the International Building Code, including those addressing the rehabilitation and productive reuse of existing residential and non-residential structures.
- Offer training through the Building Code Academy that focuses on the provisions of the USBC that facilitate the maintenance, rehabilitation, development, and reuse of existing buildings in accordance with those provisions.
- Promote the use of varied types of single-family dwellings in areas zoned agricultural and residential.
- Continue to scrutinize state enabling legislation, local land use ordinances, and introduced legislation with the potential to impede the production and preservation of affordable housing.
- Recommend support for legislation with the potential to increase housing affordability.
- Continue to consult with the homebuilding industry, local governments, and affordable housing advocates in considering the potential impact of state statutes and local regulations on affordable housing.
- Participate in the working groups of the Virginia Housing Commission that are focusing on the development of a statewide housing policy, including such issues as affordability, community revitalization, and blight removal.
- Pursue homeownership initiatives underway at the Department that assist lower-income households for the purchase of their first home.

The Action Plan includes many policy areas that require either legislative action or assent, the active cooperation of other state agencies, local governments, and/or the participation of other public or private entities. Thus, the Plan's primary role in the public policy arena is to provide a framework for ongoing State activities that implement various aspects of the Consolidated Plan. External factors may influence Plan implementation. This section of the Report examines progress in the areas identified in the Action Plan and describes changing circumstances that may require modifications to the strategies originally included in the Plan.

DHCD has continued to coordinate activities of the State's CDBG program, the Indoor Plumbing Rehabilitation program, and the Southeast Rural Community Action Program (SRCAP) in supporting the availability of adequate infrastructures—particularly water/wastewater facilities for affordable housing developments. Even during the years when the fiscal circumstances of the state led to reductions in many program areas, including housing assistance, the legislature continued to make funding available for indoor plumbing and water supply improvements. The first year of the biennium budget (e.g., July 1, 2006-June 30, 2007) included approximately \$2.5 million for water/wastewater improvements in rural areas served by SRCAP. The second year of the biennium (July 1, 2007-June 30, 2008) included about \$1.6 million for the same purpose.

Virginia has continued to follow its established policy of adopting a single set of uniform building regulations applicable to all new construction within the state. During the 2007 legislative session, the Department worked to sustain the consistency and uniformity of

its building and fire safety regulations, by successfully opposing efforts to fragment various provisions of the Uniform Statewide Building Code (USBC).

The Virginia Uniform Statewide Building Code (USBC) and the Virginia Statewide Fire Prevention Code (SFPC) -proposed regulations were published in the Virginia Register on June 11, 2007 (Volume 23, Issue 20), which may be accessed online at: <http://legis.state.va.us/codecomm/register/vol23/Welcome.htm>. The 60 day comment period ran through August 11, 2007, which was the cut-off date for the acceptance of new code change proposals for these regulations. The anticipated 2008 edition of the USBC will continue to be based on the International Code Commission's (ICC) most recent model International Building Code (IBC)—in this case the 2006 edition.

DHCD's training programs are as critical as the actual provisions of building and fire safety codes to meeting Virginia's commitment to implementing uniform regulation, enforcement, and training throughout the Commonwealth. DHCD provides uniform training for those individuals in local governments charged with enforcing the building, rehabilitation, maintenance, and fire codes. DHCD has expanded training and information programs beyond code enforcement personnel to include opportunities for building contractors, architects, tradesmen, and others who must apply or comply with the provisions of the USBC, Statewide Fire Prevention Code (SFPC), building maintenance requirements and provisions related to the rehabilitation of older, existing structures.

Leveraging Resources

The Action Plan estimated the potential leveraging associated with the administration of CPD programs at around \$13 million. Three primary housing initiatives continue to account for most of the leverage. Federal and state low-income housing tax credits stimulated private sector investment in affordable rental housing projects. The permanent financing (mortgage) that accompanies each affordable housing unit in the Homeownership Assistance Program accounts for a significant amount of leveraged private sector funding. Additionally, the availability of state, other federal and private sector funds to address various aspects of homelessness also accounts for a sizable amount of funding leveraged by CPD annual allocation.

The CDBG Program leveraging for the 1994-2007 years are as follows:

1995	\$120.6 million	2002	\$33.4 million
1996	\$72.3 million	2003	\$40.7 million
1997	\$107.3 million	2004	\$46.6 million
1998	\$90.3 million	2005	\$86.3 million
1999	\$525.7 million	2006	\$158.0 million
2000	\$61.2 million	2007	\$ 267.5 million
2001	\$121.1 million		

Citizen Comment

The availability of the CAPER for public review and comment was posted the week of September 8, 2008, in six newspapers across the Commonwealth:

- The Bristol Herald
- The Lynchburg News Advance
- Potomac News
- Roanoke Times
- The Virginia Pilot
- Richmond Times Dispatch



The Virginia Department of Housing and Community Development (DHCD) is seeking comments on the following draft documents: 2007-2008 Consolidated Plan Annual Performance and Evaluation Report (CAPER) and the Community Development Block Grant (CDBG) Performance Evaluation Report (PER). These reports and supporting documents describe the State's administration of federal funds received from the U.S. Department of Housing and Urban Development (HUD) for the HOME Investment Partnerships, Emergency Shelter Grant (ESG), Community Development Block Grant (CDBG), and Housing Opportunities for Persons with AIDS (HOPWA) programs.

These documents and related information maintained in the Integrated Disbursement and Information System will be available for public review during regular office hours at DHCD, The Jackson Center, 501 North Second Street, Richmond, Virginia 23219-1321. The CAPER will be posted on the DHCD web site at www.dhcd.virginia.gov on or before September 12, 2007. Questions or comments about the documents may be directed to Lyndsi Austin, Policy Manager. The Department will receive written comments on the document through the close of business on September 25, 2008 by mail, by e-mail addressed to lyndsi.austin@dhcd.virginia.gov, or by facsimile at (804) 371-7091. Written comments will be included with the final reports submitted to HUD.

This public notice announced the availability of the CAPER for review on or before September 12, 2008 and that the Department would be accepting comments through the close of business on September 25, 2008. Any comments received would have been included at minimum in this section of the CAPER. As of the close of business September 25, 2008, no comments have been received by DHCD.

Self-Evaluation

Economic trends, state budget cuts, and resulting travel restriction has made it more challenging for the agency to access available training opportunities, particular those opportunities that involve travel outside the state of Virginia. Travel is limited to program-specific function such as monitoring, however the agency will continue to utilize where available any appropriate opportunities within the state.

The agency has continued to refine program-specific processes and procedures and anticipates on-going improvements in program results. These improvements include revised program guidelines, fund decision processes, and overall program and activity monitoring.

Monitoring

The Department has developed and implemented monitoring procedures for the regular monitoring of project sponsors, grantees, and subrecipient. Monitoring is based on a risk assessment that factors in the last date a project, program, grantee, subrecipient, or project sponsor was monitored, the total relative amount of award, current and previous performance, and program requirements. Any specific observations or findings are noted with program narrative sections.

CDBG Program Narrative

DHCD directed 2007-08 year funds toward a wide and varied array of needs that are consistent with the CDBG program's overall program objectives and also reflect the specific needs of Virginia localities for improved housing, public facilities, public service facilities, economic development, and comprehensive redevelopment. In addition to the housing priorities included in the Action Plan, DHCD included five priorities and associated strategies for its CDBG program that address community development needs other than those related to housing:

CDBG 2007-08 Priorities, Strategies, and Accomplishments		
Priority	Strategies	Accomplishments
To assist local governments in increasing business and employment opportunities through economic development programs:	<p>Provide financial and technical support for the acquisition, development, rehabilitation, or expansion of business and industrial sites and facilities, <i>resulting in raising wage levels, retaining existing jobs, generating new jobs and employment opportunities, generating long-term employment, diversifying and expanding local tax bases and economies, and reducing the out-commuting of workers and out-migration of residents.</i></p> <p>Provide financial and technical support for the acquisition, development, and revitalization of commercial districts, <i>resulting in increasing retail sales and property values in stagnating or declining commercial districts, retaining existing businesses, increasing the opportunities for small businesses in commercial districts, retaining existing jobs, and strengthening local tax bases.</i></p> <p>Provide financial and technical support for the development of entrepreneurial assistance programs including micro-enterprise assistance, business incubators, and similar efforts, <i>to result in creating assets among low-income persons, increasing employment opportunities, reducing unemployment, increasing wage levels, generating new jobs, generating long-term employment, and diversifying and expanding local tax bases.</i></p>	Eighty-Three (83) businesses received assistance during the period and, through new and ongoing economic development projects, 5,483 total persons, of whom at least 51% will be LMI, were assisted through new or retained jobs.
	<p>To assist local governments in improving neighborhoods and other areas through comprehensive community development programs:</p> <p>Provide financial and technical support for the comprehensive improvement of residential areas, <i>resulting in revitalized neighborhoods including improved housing, water, sewer, road, and drainage conditions.</i></p>	

CDBG 2007-08 Priorities, Strategies, and Accomplishments		
Priority	Strategies	Accomplishments
To assist local governments in improving the availability and adequacy of community facilities:	<p>Provide financial and technical support for acquisition of sites or rights-of-way for community facilities such as water, sewer, drainage, and streets, resulting in basic facilities in areas where they are lacking.</p> <p>Provide financial and technical support for the installation, rehabilitation, or improvement of community facilities such as water, sewer, drainage, and streets, resulting in basic facilities in areas where they are lacking, improving the quality of inadequate community facilities, enhancing the development potential of communities, and eliminating conditions detrimental to health, safety, and public welfare.</p>	CDBG-eligible communities have given a high priority to the areas of street, sewer and water, and commercial and industrial infrastructure. Grantees completed 36 sewer and water projects, 1 flood or drainage improvement, 9 street improvements, 1 parking improvement, and 1 sidewalk improvement projects.
To assist local governments in improving the availability and adequacy of community service facilities:	<p>Provide financial and technical support for the acquisition of sites and/or structures for community services facilities, resulting in new or expanded community services.</p> <p>Provide financial and technical support for the construction, rehabilitation, or improvement of community service facilities, to result in developing new structures, or rehabilitating or improving existing structures for the provision of new or expanded community services.</p>	Three health care facilities were completed during the program year.
To assist local governments in conserving and improving housing conditions:	<p>Provide financial and technical support for housing rehabilitation to result in reducing substandard housing conditions, conserving local housing stocks, stabilizing declining neighborhoods, promoting homeownership options, improving standards of living, and enhancing the attractiveness of the community.</p> <p>Provide financial and technical support for acquisition and improvement of sites and/or facilities for low- and moderate-income housing to result in reducing the number of Virginia citizens in substandard housing, increasing the supply of housing, improving local standards of living, expanding housing opportunities, improving the quality of public facilities serving low- and moderate-income housing, and providing or improving basic public facilities serving low- and moderate-income housing.</p>	Housing rehabilitation and other housing related activities, which eligible localities also identified as high priorities, improved the circumstances of approximately 351 households, all of which were low-to-moderate income.

Changes in CDBG Program Objectives

There were no substantive amendments to the Consolidated Plan for the CDBG program priorities and objectives during the program year; however, the 2007-08 program design included several administrative changes.

- CDBG funds cannot account for more than 50% of downpayment assistance for a qualified client. (pages 47 and 48)
- Prior to the award of any CDBG funds, a review of all open CDBG projects will be conducted. In instances where performance or project issues have been identified, DHCD may withhold new CDBG funds until these deficiencies are corrected.
- Significant cost limit increases for housing rehabilitation and substantial reconstruction projects have been made. These limits are as follows:
 - Applicants may utilize up to \$25,000 or \$35,000 of CDBG funding to rehabilitate eligible housing units.
 - Applicants may utilize up to \$40,000 to substantially reconstruct housing units determined to be unsuitable for rehabilitation.
 - Applicants may exceed these base limits by up to \$20,000 for the following exceptions:
 - Installation of a well and/or septic systems or water and/or sewer connections. CDBG funds may not be used to install “pump and haul” systems;
 - Provision of ramps and other accessibility features;
 - Provision of one or more additional bedrooms to relieve an overcrowded situation in which more than two bedrooms are necessary or other changes to a unit’s footprint;
 - Actual laboratory costs for evaluation of lead dust tests; and,
 - Construction of a bathroom.
 - Applicants may utilize up to \$10,000 to rehabilitate eligible manufactured homes, plus \$10,000 for well and septic. No other exceptions apply.
- CDBG investment for the installation or improvement of water / wastewater services for Comprehensive Community Development projects may not exceed an average of \$15,000 per household.
- Business District Revitalization Projects Construction and Planning Grants changes are as follows:

- In order to be eligible for construction funding, applicants must demonstrate that at least 25 percent of the properties in the potential project area are physically blighted or have at least a 50% vacancy rate.
 - To be eligible for the full planning grant amount, applicants must have a population greater than 750 persons within a one-mile radius of the project area. Exceptions to this threshold, such as where the Business District serves a very unique function or where improvements to the region's economic environment increases the opportunities for revitalization, will be considered.
 - Applicants that do not meet this population threshold may qualify for not more than \$15,000 in planning grant funds.
 - Applicants must demonstrate that business district revitalization is the highest community development need. Applicants must provide an analysis of housing and other community needs, how these needs have been addressed, and how any remaining unmet needs will be handled.
- Regional projects that demonstrate a clear and significant economic impact are eligible for up to \$50,000 in planning grant funds. These projects will require a 20 percent local match.
 - Following the announcement of successful CDBG Competitive Grant applicants, DHCD will establish a cut-off point among the unsuccessful projects. This will serve as a point where unsuccessful Competitive projects will be considered for funding should there be recaptured funds or a balance of uncommitted CDBG funds at the end of the Program Year. Projects that fall below this point will be deemed not to be ready or feasible and will not be considered for funding.
 - Funding which has not been committed as of September 28, 2007 may be committed to Self Help projects, Planning Grant projects, Urgent Need projects, the next highest ranking 2007 Competitive Grant project (to the established cut-off point), Administrative Bonuses, projects with Letters of Intent, and Community Economic Development Fund projects.
 - CDBG investment for the installation or improvement of water / wastewater services for Community Facility projects may not exceed an average of \$12,500 per household.

Program Beneficiaries

The State, through its allocation of CDBG funding to local grantees, has met the national objectives and complied with the overall benefit requirements for the program year as with previous program years. Because an essential criterion governing this program is that benefits primarily reach persons with low- and moderate-incomes, DHCD has consistently sought to assure that they remain well above the minimum threshold. As the accompanying tables illustrate, for the 2007-08 program year, as in the two decades, the majority of all benefits have accrued to the target population. The percentage benefits from the most recent years may be expected to change—generally showing an increase—as additional projects are closed out.

CDBG LMI Benefits, 1985-2007 Program Years

Program Year	1985	1986	1987	1988	1989	1990	1991	1992
% LMI Benefit	100	100	100	100	100	100	98.9	99.3
Program Year	1993	1994	1995	1996	1997	1998	1999	2000
% LMI Benefit	99.3	98.6	91.5	90.5	93.9	92.3	80.8	86.1
Program Year	2001	2002	2003	2004	2005	2006	2007	
% LMI Benefit	88.3	90.9	93.3	97.1	89.2	89.3	83.7	

Activities Involving Occupied Real Property —Anti-Displacement and Relocation

DHCD's efforts to minimize displacement focus on securing the commitment of grantee localities to minimize the displacement of individuals, families, and businesses in implementing projects using state-administered CDBG funds. This includes direct displacement resulting from real property acquisition, rehabilitation, demolition, and conversion and any indirect displacement. In general, except in instances of disaster recovery operations, relocation has been associated with homeownership activities where households or individuals occupy units whose condition fails to meet Section 8 housing quality standards. If displacement is necessary, then agency personnel work with the local grantee to assure that proper notice is provided to the affected parties in accordance with Section 104(d) of the Community Development Act and the federal Uniform Relocation Assistance and Real Property Acquisitions Policies Act.

Localities seeking Community Improvement Grant funding must certify that they will minimize displacement at the local level and that they will follow a Residential Anti-displacement and Relocation Assistance Plan that includes a one-for-one replacement provision. Each recipient of Community Improvement Grant funding must provide financial benefits and advisory services on an equitable basis to any individual or entity involuntarily and permanently displaced because of a CDBG-assisted activity. In 2007, the Agency required any projects seeking to use eminent domain for acquisition and/or relocation to use non-CDBG funds for this activity. Projects with willing participants were allowed to use CDBG funds to assist with acquisition and relocation.

There were permanent relocation and several temporary relocations related to housing rehabilitation activities.

Economic Development Activities with CDBG Funds—Low/Moderate Income Job Activities

As the responsible agency, DHCD works to assure that economic development projects funded through the state-administered CDBG program meet targeted levels for low- and moderate-income job opportunities. Federal regulations permit potential grantees to use one of two approaches to meet their LMI benefit obligation. The first option is to employ LMI persons in at least 51 percent of the available positions. Under this option, the locality or assisted business will retain documentation of the income status of employees. The second option is to establish procedures to ensure that LMI persons will receive first consideration for employment. Under this option, the job qualifications must be limited to possession of a high school diploma or its equivalent. No special training should be required. A third-party, single point of contact for application screening, such as the Virginia Employment Commission, is typically used. This contact will maintain all LMI documentation. The employer must hire only those persons screened by this third party.

In addition, the required job creation must occur within two years of the date of completion of the private investment, while the private investment must be completed within two years of the commencement of the CDBG-funded grant agreement. All of the job creation requirements are incorporated into a formal agreement between the agency and the grantee. Businesses failing to meet the job requirements are subject to a non-performance penalty contained in these agreements.

During the most recent fiscal year, DHCD closed out five grants in which job creation was one of the elements of the project. The grants created 661 jobs, of which 56 percent were to meet LMI criteria. According to information contained in the closeout reports for the affected grants, the total number of jobs created and the LMI jobs created exceeded the amount contained in the original proposals for the closed-out projects.

Low/Moderate Income Clientele Activities

DHCD also attempts to assure that the State's distribution of program funds remains consistent with national program objectives and the priority objectives identified in the Consolidated Plan, the Action Plan, and the CDBG program design. The following table summarizes the overall distribution of funds for the years since 1998.

Percentage Distribution of CDBG CIG Funds by State Objective and Program Year

Objective	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Comprehensive Community Development*	23.6	36.18	31.95	40.80	20.77	17.26	28.90	26.48	27.40	18.17
Economic Development	29.8	28.83	34.94	9.38	24.68	17.95	17.49	21.40	30.08	29.41
Housing	18.3	15.36	7.11	13.30	26.86	21.17	27.12	23.25	24.13	9.58
Community Facilities	24.9	16.42	20.05	32.15	14.36	33.02	14.57	26.09	10.91	26.89
Community Services Facilities	3.4	3.20	6.36	4.37	13.33	10.61	11.92	2.78	7.48	15.95

*Comprehensive Community Development Projects include housing rehabilitation as well as public facility components.

To the degree that the applications received by the Department make it possible, DHCD attempts to meet the needs identified through its planning and public participation processes. Shifts in the pattern of distribution among priority objectives do not reflect the state's preference for one priority over another; instead, they mark the changing perceptions of grant applicants responding to local community needs. Changes in regional or local economic conditions, shifting demographics, or the effects of significant weather-related disasters may affect the pattern. The variety of funded projects has helped Virginia's localities respond to the need for improvements in their economic and physical environments, reduce the incidence of blight, and respond to a variety of differing threats to the health, safety, and welfare of citizens.

Program Income Received

During 2007-08, DHCD received program income from the grants listed on the table below by grantee, category of activity, date received, and amount.

Grantee	Category	Date	Amount Received
Accomack County, CDBG #96-39, Accomack Truss Tech, Inc.	Economic Development	9/20/07	\$3,097.95
Cumberland County, CDBG #DW-13	Dry Well	9/28/07	\$3,225.81
Accomack County, CDBG #96-39; Accomack Truss Tech, Inc.	Economic Development	11/17/07	\$3,097.75
Bedford County, CDBG #96-38	Economic Development	2/28/08	\$15,536.96
Westmoreland County, CDBG #02-30, Active Program Income	Housing Rehabilitation	4/1/08	\$10,515.61
Accomack County, CDBG #96-39; Accomack Truss Tech, Inc.	Economic Development	4/16/08	\$6,193.55
Total			\$41,667.63

Prior Period Adjustments

Activity Name and Number	Program Year Reported	Amount returned to LOC or Program Account	Total amount and time period
Sussex County, CDBG # 00-25, Demolition, IDIS #5922	2007	\$11,683.00 moved to CDBG # 06-17, IDIS #10110 on July 13, 2007	Reimbursement Completed
Waynesboro City, CDBG #04-27, Relocation, IDIS #8337	2007	\$1,750.78 moved to CDBG #07-01, IDIS #10542 on September 20, 2007	Reimbursement Completed
Williamsburg City, CDBG # 06-03, Sewer, IDIS #10293 - \$42,358.00 and Sidewalks/Curb & Gutter/Storm Drainage, IDIS# 10292 \$15,646.00	2007	\$58,004.00 moved to CDBG # 07-01, IDIS #10542 on October 25, 2007	Reimbursement Completed
Richland Town, CDBG #05-21, Substantial Reconstruction, IDIS #9112	2007	\$224.52 moved to CDBG #07-BPGF-09, IDIS #10664 on January 17, 2008	Reimbursement Completed
Buchanan County, CDBG #06-12, Water Improvements, IDIS #10034	2007	\$9,500.00 moved to CDBG #07-21, IDIS #10801 and \$5,454.34	Reimbursement Completed

Activity Name and Number	Program Year Reported	Amount returned to LOC or Program Account	Total amount and time period
		moved to CDBG #07-BPGF-08, IDIS #10743 on March 14, 2008	
Town of Glade Springs, CDBG #02-29, Single Family Rehabilitation, IDIS #6785 – (\$17,043.83); Sewer, IDIS #6786 – (\$29,869.00); Street, IDIS #6788 – (\$68,033.00); Water, IDIS #6789 – (\$17,804.00); Administration, IDIS #6783 - \$12,456.27; Planning, IDIS #10857 - \$25,000.00; Drainage, IDIS #6787 - \$2,100.43	2007	\$16,016.84 moved to CDBG #07-PG-21, IDIS #10775; \$5,625.00 moved to CDBG #07-22, IDIS #10858 and \$71,551.29 moved to CDBG #07-22, IDIS #10859	Reimbursement Completed
Lee County, CDBG #03-16, Water Improvements, IDIS #7703	2007	\$22,500.00 moved to CDBG #08-PG-01, IDIS #10869; \$20,055.00 moved to CDBG #08-PG-03, IDIS #10870 and \$7,917.78 moved to CDBG #08-PG-09, IDIS #10880	Reimbursement Completed
Staunton City, CDBG #05-24, Acquisition, IDIS #9306	2007	\$7,868.14 moved to CDBG #05-25, IDIS #9400 and \$90,479.00 moved to CDBG #05-25, IDIS #9401	Reimbursement Completed

Loans and Other Receivables

There are no float-funded activities at present. There is currently one outstanding loan with Accomack Truss-Tech, Inc., with a principal balance of \$98,808.22.

Neighborhood Revitalization Strategies

Tables in the following pages of the report summarize the achievements in non-housing areas based on the closeout process. Substantial additional information on specific projects and overall performance is contained in the Performance Evaluation Report (PER), which DHCD's Community Development Division prepares and which is available for public review and comment. This document contains more detailed presentations of the financial status of the previous years'

grants, including amounts obligated by contract or offer and any amounts remaining unobligated at the close of the reporting period.

**Summary of Community Development Accomplishments
for Public Facilities and Improvements
Commonwealth of Virginia 1987 Through 2005 Program Years**

Priority Need Category	Priority	Actual Number of Projects Assisted 1987-2002	Actual Number of Projects Completed 1987-2002	Actual Number of Projects Assisted					Actual Number of Projects Completed in				
				2003	2004	2005	2006	2007	2003	2004	2005	2006	2007
Public Facilities	H												
Senior Centers		6	6								1		
Handicapped Centers		3	3										
Homeless Centers													
Youth Centers	H	2							1				
Neighborhood Facilities	H	10	4	2		2	1	1	1		2	1	
Child Care Centers	M	1	1	1	1	1			1				1
Parks and/or Recreation Facilities	M	4	4	1	1	1	1		1	1	1		
Health Facilities	H	9	5	1	2		3		1	3	2	1	
Parking Facilities	L				3		3	2				1	1
Abused/Neglect Facilities		1	1								1		
AIDS Facilities													
Other Public Facilities	M	9	6		3	1				3	2		
Public Improvements													
Solid Waste Improvements	M												
Flood/Drainage Improvements	M	73	69	4	4	7	7	7	7	4	2	1	1
Street Improvements	H	168	160	21	32	9	40	37	16	18	5	8	10

Priority Need Category	Priority	Actual Number of Projects Assisted 1987-2002	Actual Number of Projects Completed 1987-2002	Actual Number of Projects Assisted					Actual Number of Projects Completed in				
				2003	2004	2005	2006	2007	2003	2004	2005	2006	2007
Sidewalk Improvements		6	2	4	4	1	9	9	4	1	5		1
Sewer and Water Improvements	H	414	299	65	80	106	88	71	30	41	25	35	42
Asbestos Removal													
Other Infrastructure													

**Summary of Community Development Accomplishments
for Economic Development
Commonwealth of Virginia 1987-2005 Program Years**

Priority Need Category	Priority	Actual Number of Businesses Assisted 1987-2002	Actual Number of Persons Assisted with Jobs 1987-2002	Actual Number of LI Persons Assisted with Jobs 1987-2002	Actual Number of MI Persons Assisted with Jobs 1987-2002	Actual Number of Businesses Assisted 2003	Actual Number of Persons Assisted with Jobs 2003	Actual Number of LI Persons Assisted with Jobs 2003	Actual Number of MI Persons Assisted with Jobs 2003
Economic Development	M								
Commercial/Industrial Rehab	M	5	1,296	936					
Commercial/Industrial Infrastructure	H	109	12,154	7,893		3	634	413	
Other Commercial/Industrial	L								
Micro-Enterprises	M	24	9	48		4			
Other Business									
Technical Assistance	M								
Other Economic Development	M	*7				2	29	21	

Priority Need Category	Priority	Actual Number of Businesses Assisted 2004	Actual Number of Persons Assisted with Jobs 2004	Actual Number of LI Persons Assisted with Jobs 2004	Actual Number of MI Persons Assisted with Jobs 2004	Actual Number of Businesses Assisted 2005	Actual Number of Persons Assisted with Jobs 2005	Actual Number of LI Persons Assisted with Jobs 2005	Actual Number of MI Persons Assisted with Jobs 2005
Economic Development	M								
Commercial/Industrial Rehab*	M	10				16			
Commercial/Industrial Infrastructure	H	13	166	88		26	283	177	
Other Commercial/Industrial	L								
Micro-Enterprises	M		47	47			6	6	
Other Business									
Technical Assistance	M								
Other Economic Development	M	4	17	13					

*Downtown projects (slum and blight removal) did not include a count of jobs.

Priority Need Category	Priority	Actual Number of Businesses Assisted 2006	Actual Number of Persons Assisted with Jobs 2006	Actual Number of LI Persons Assisted with Jobs 2006	Actual Number of MI Persons Assisted with Jobs 2006	Actual Number of Businesses Assisted 2007	Actual Number of Persons Assisted with Jobs 2007	Actual Number of LI Persons Assisted with Jobs 2007	Actual Number of MI Persons Assisted with Jobs 2007
Economic Development	M								
Commercial/Industrial Rehab*	M						80		
Commercial/Industrial Infrastructure	H			271		6	38		
Other Commercial/Industrial	L								
Micro-Enterprises	M					2			
Other Business									
Technical Assistance	M			19					
Other Economic Development	M								

*Downtown projects (slum and blight removal) did not include a count of jobs.

HOME Program Narrative

The 2007-08 HOME allocation was targeted at meeting goals and objectives in four funding categories:

1. Community Housing Development Organizations (CHDO) activities
2. Affordable Housing Preservation and Production Program
3. Indoor Plumbing and Rehabilitation Program
4. Homeownership Assistance Program

CHDO Activities

The Department supports the development of CHDO (Community Housing Development Organizations) activities through the HOME allocation set-aside of 15 percent to state-certified CHDOs. This set-aside and the certification requirements help to assure that DHCD is helping to develop experienced community-based housing developers that are dedicated to producing affordable housing in Virginia communities.

To assist with these efforts DHCD's Office of Community Capacity Building (OCCB) offers services, primarily to nonprofit organizations and local governments located in non-entitlement communities throughout Virginia. The goal of OCCB is to have sustainable organizations that improve the quality of life in the communities. OCCB offers training programs, technical assistance, and has the responsibility of certifying and recertifying CHDO for the Commonwealth of Virginia.

As a result of these activities DHCD has expended more than \$32 million since 1992, exceeding the required 15 percent.

Virginia Commonwealth CHDO HOME Set-aside Since 1992			
Total Accumulative HOME Allocation	Reserved for CHDOs	Committed to CHDO Projects	Disbursed to CHDO Projects
\$217,372,086	\$38,793,850	\$34,314,272	\$32,489,009

Source: IDIS PR25 Report

Twenty-five community-based housing developers are currently CHDO-certified by DHCD. Currently 11 of the certified CHDOs have projects under development or in construction that are supported by state HOME program financing.

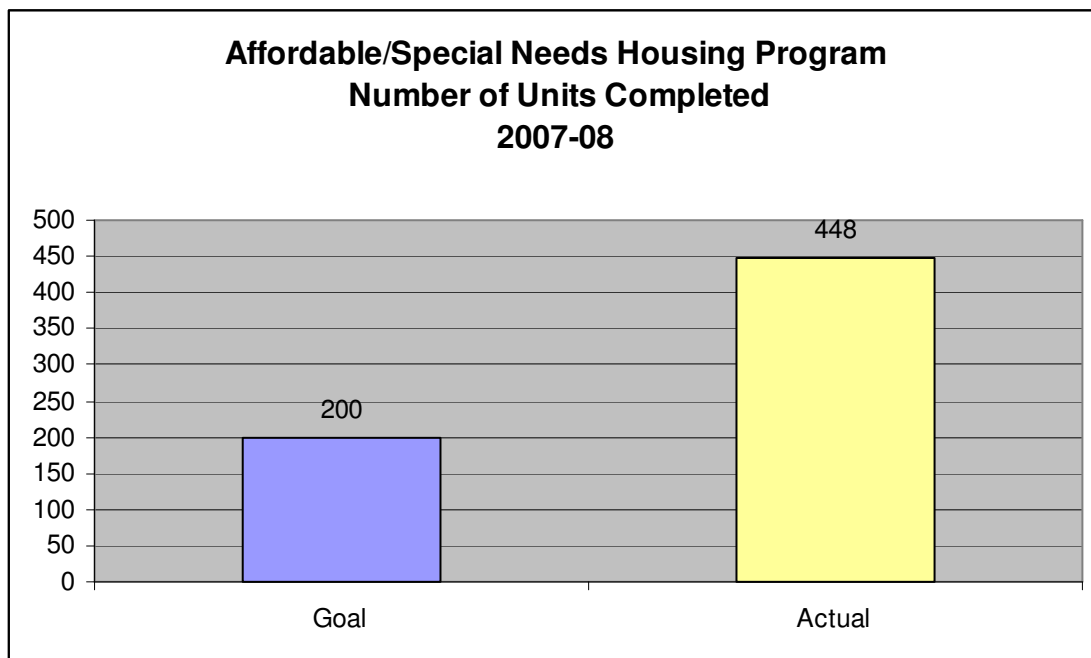
CHDO Name	Locality*
Accomack-Northampton Housing and Redevelopment Corporation	Accomack
Albemarle Housing Improvement Program	Charlottesville
Arrow Affordable Housing Corporation	Smithfield
Bayview Citizens for Social Justice	Cape Charles
Central Virginia Housing Coalition	Fredericksburg
Chesapeake Bay Housing, Inc.	Urbanna
Community Housing Partners Corporation	Richmond
Elderhomes Corporation	Richmond
Elderspirits	Abingdon
Giles County Housing and Development Corporation	Pearisburg
H.O.P.E.	Wytheville
Hope Community Builders	Harrisonburg
Housing Opportunities Made Economical	Fredericksburg
Housing Partners, Inc.	Williamsburg
Nelson County Community Development Foundation	Lovingston
Petersburg Community Development Corporation	Petersburg
Petersburg Urban Ministries	Petersburg
Piedmont Housing Alliance	Charlottesville
Project Crossroads	Marion
Project Faith, Inc.	King George
Rush Homes	Lynchburg
Scenario, Inc.	Newton
Southside Outreach Group	South Boston
Southwest Virginia Housing Corporation (People's Inc.)	Bristol
Telamon Corporation	Gretna
The Center for Community Development, Inc.	Portsmouth

**Locality is based on organizational mailing addresses, not necessarily location of CHDO projects. This list of CHDO reflects those with current certifications during the 2007-08 program year.*

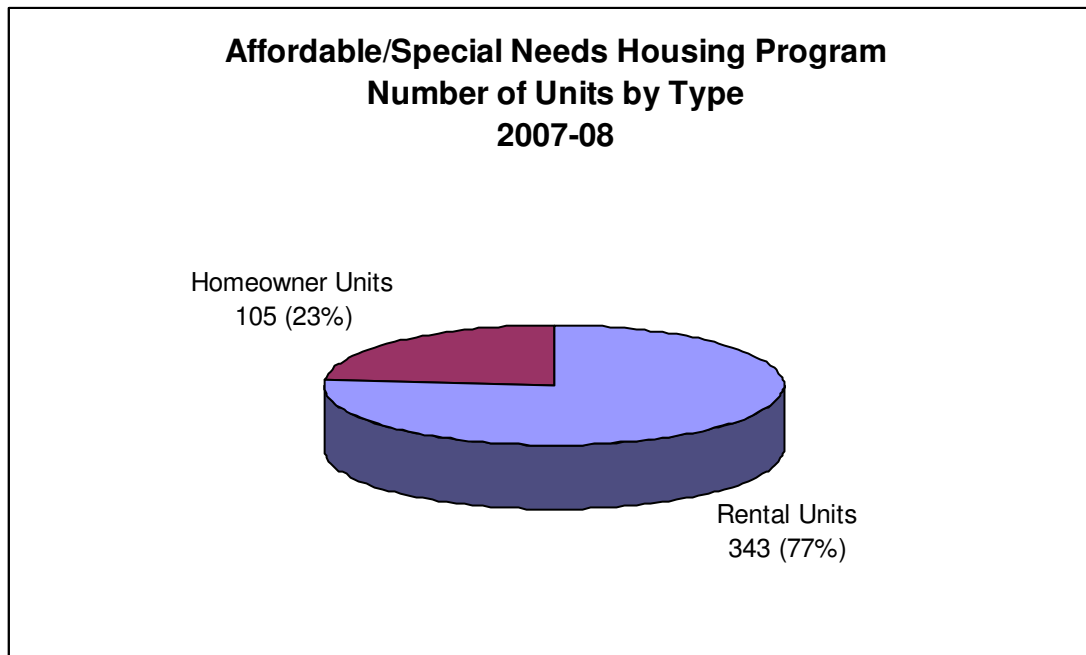
Affordable Housing Preservation and Production Program

The Department committed \$6 million in HOME Investment Partnership Funds for the Affordable Housing Production and Preservation Program (AHPP) and Special Needs Housing Program for the 2007-08 program year. Projects were selected through a quarterly, open, competitive application process. The programs typically provides gap financing using flexible, below-market-rate loans to support projects for the development and preservation of affordable housing for low-income Virginians including those with special needs. The expectation is to stretch these funds as far as possible to achieve the greatest number of units possible for the dollars committed. In meeting this goal, funds are used with other types of financing. These include Low-Income Housing Tax Credits, bond financing, and other public and private funds. Additionally, these funds fill the gap in permanent financing to make an affordable housing project feasible.

The Department's goal of developing 200 units of affordable units (rental and homeowner) during the 2007-08 program year was exceeded. The actual number of affordable units developed during the year was 448.



About three quarter of these completed units were rental units targeted to low income households at or below 60 percent Area Median Income (AMI) and another quarter were homebuyer development target to low to moderate income homebuyers.



Indoor Plumbing Rehabilitation Loan Program (IPR)

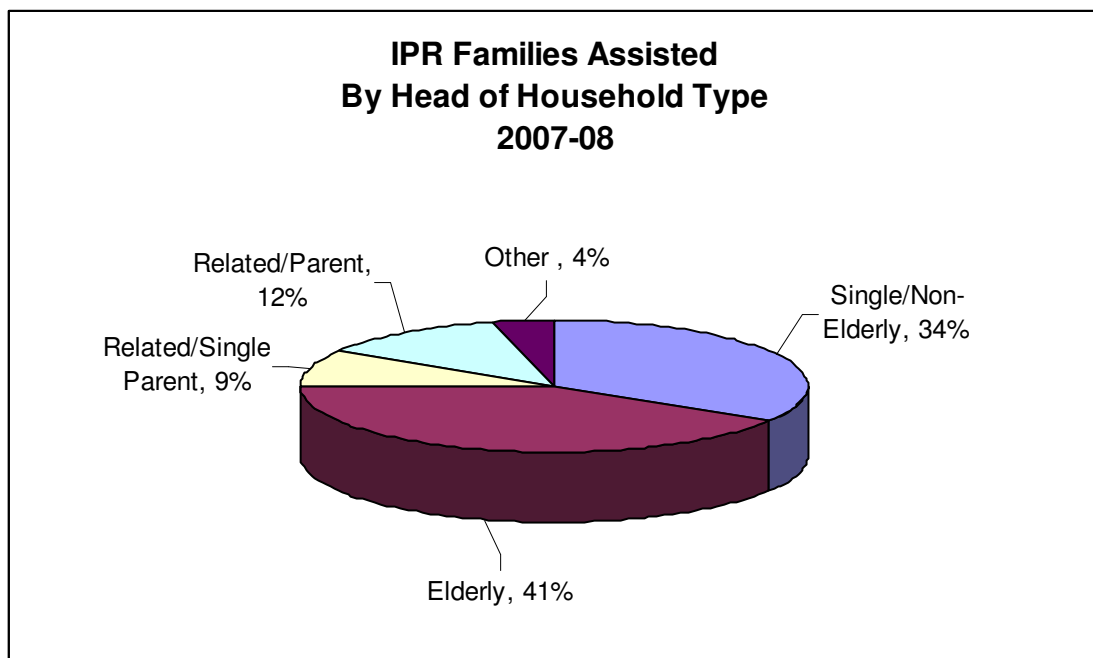
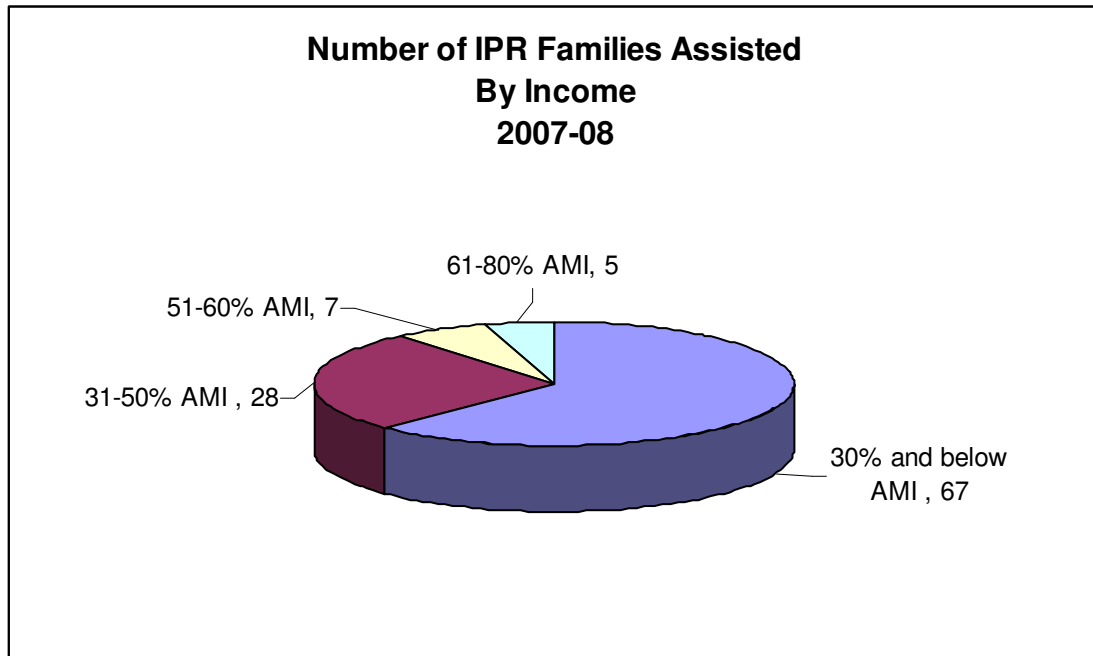
The Department allocated \$5 million in 2007-08 for the IPR Program, which assists low- to moderate-income homeowners whose houses lack complete indoor plumbing. The Program continues to require repayment based on the family's ability-to-pay, not to exceed 25 percent of adjusted monthly income in housing related costs. Recaptured funds revolve locally to provide for additional revenue to resolve rehabilitation needs. The Program received a \$4,480,000 general fund appropriation for State FY 2008 and received a \$5,000,000 allocation from the 2007-08 federal HOME funds.

The IPR Program improves substandard housing through general rehabilitation by installing indoor plumbing in units lacking complete facilities (or those where existing water supply or waste disposal systems are failing). Completed houses must comply with DHCD's Field Guide for Housing Quality Standards (DHCD-HQS). Local organizations apply to become subrecipients under the program. Once local governments certify them, they receive a contract and may request funds for performance, home ownership creation, and matching funds.

In 2007-08 DHCD completed 109 units at average costs of \$50,863 per unit in this program. There were 71 units completed with HOME allocated funds and 38 with the general fund appropriation. The 2007-08 goal was 100 units. One-hundred percent of the program beneficiaries were households at or below 80 percent AMI. The largest populations served were in the categories of elderly and single head of household.

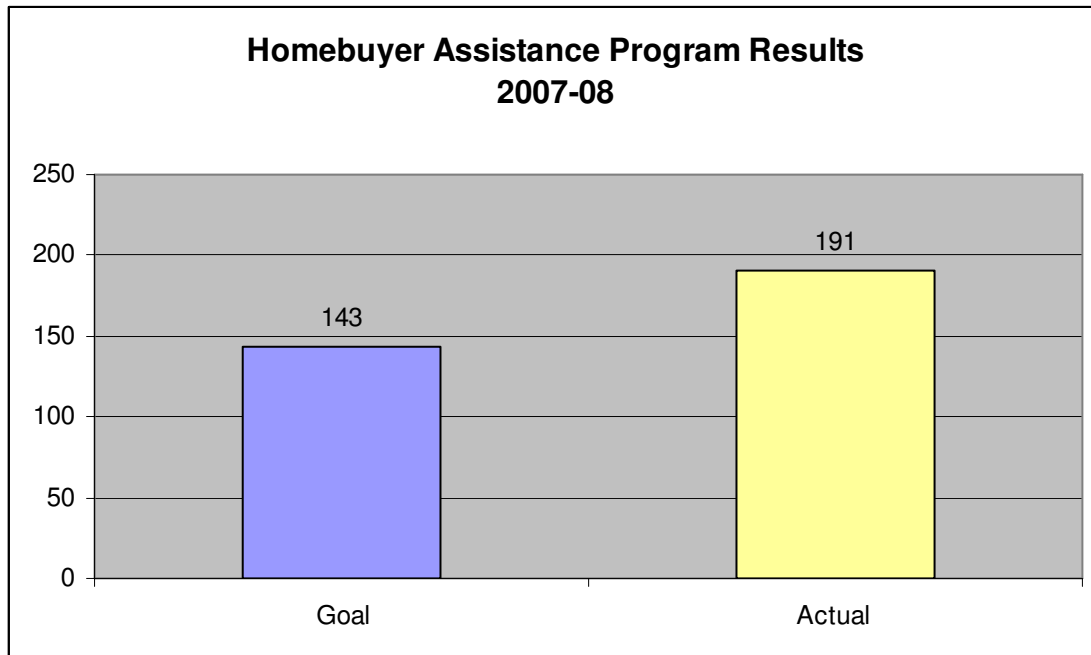
Monitoring is performed annually for high performing subrecipients and bi-annually for all others. Skilled program administrators spend eight to twelve hours reviewing files on-site to ensure compliance with administrative oversight,

applicant/contractor records, financial management, federal compliance, client file checklist and housing rehabilitation field inspections. Formal letters are sent summarizing any findings, concerns or recommendations noted during the monitoring visit and responses are due within 30 days. Technical assistance is provided throughout the program year by way of site visits, workshops and conferences, email and telephone contact.



Homebuyer Assistance Program

In the 2007-08 program year, the Department made available approximately \$3,462,554 (including program income, the HOME allocation, and American Dream Downpayment Initiative), through homebuyer assistance programs. A total of 191 first-time homebuyers were assisted between July 1, 2007, and June 30, 2008. The average amount of assistance received was \$13,779. Approximately 95 percent of these clients are households at or below 60 percent AMI. The remaining are those at or below 80 percent AMI.



HOME Match Report

DHCD met match requirements for the HOME program through the state allocation utilized in the Indoor Plumbing and Rehabilitation Program, which finances low-income substantial homeowner rehabilitation activities, and through bond financing. For this reporting period, more than \$30 million in excess match from prior years was combined with \$4 million in 2007-08 match contribution for a net amount of approximately \$30.3 million to be carried over into the 2008-09 program year. The full HOME Match report (form HUD-40107-A) is located in an attachment to the report.

HOME Match Summary (2007-08)	
Excess Match from Prior Years	\$30,974,709
Match Contribution from 2007-08	\$4,031,263
Total Match (sum from above)	\$35,005,973
Match Liability for 2007-08 (Subtract from above)	\$4,677,515
Excess Match to be Carried over to 2008-09	\$30,328,458

HOME MBE and WBE Report

Based on its review of information contained in project completion forms, staff estimates that for the current year participation by minority-owned businesses in HOME-funded activities approximates 22 percent of contracts and 6 percent of subcontracts, measured by the number of contracts, or 32 percent of contracts and 2 percent of subcontracts as measured by dollars spent. None of the contracts or subcontracts were with women owned enterprises.

Part III Minority Business Enterprises (MBE) and Women's Business Enterprises (WBE)

In the table below, indicate the number and dollar value of contracts for HOME projects completed during the reporting period.

	a. Total	Minority Business Enterprises				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
A. Contracts						
1. Number	59	7	0	6	0	46
2. Dollar Amount	\$1,925,092.95	\$326,360.00	\$0.00	\$654,067.00	\$0	\$1,314,737.95
B. Sub-Contracts						
1. Number	106	0	0	6	0	100
2. Dollar Amount	\$516,610.56	\$0	\$0	\$11,702.16	\$0	\$504,908.40
	a. Total	b. Women Business Enterprises (WBE)	c. Male			
C. Contracts						
1. Number	59	0	59			
2. Dollar Amount	\$1,925,092.95	\$0	\$1,925,092.95			
B. Sub-Contracts						
1. Number	106	0	106			
2. Dollar Amount	\$516,610.56	\$0	\$516,610.56			

Results from Inspections of Rental Housing

DHCD has relied on project inspections conducted in conjunction with VHDA. Virginia's housing finance agency conducted its inspections to verify compliance with requirements related to the use of tax credits or tax-exempt mortgage revenue bond financing. Because of the areas of overlap, DHCD relies on VHDA reports to target potential problems, particularly those related to the physical condition of the properties. DHCD has conducted Housing Quality Standards (HQS) inspections on projects that were in the later years of the affordability period. During 2007, DHCD conducted monitoring visits on 14 HOME-funded projects. These projects included a total 477 units and ranged in size from eight to 108 units. The monitoring focused on the physical condition of the projects and compliance with the relevant tenant income limitations. Reported conditions ranged from average to excellent, with no serious problems noted. Of the 477 units, 41 units were at various stages of construction, while eight units had delayed because of flooding. Of the units completed none had any visible deferred maintenance on any of the sites inspected, and the overall condition was rated as "good". Of the units inspected, 90 percent were occupied by household at or below 50 percent AMI; ten percent were occupied by households at or below 60 percent AMI. No units were occupied by families above 60 percent AMI.

HOME Jurisdiction's Affirmative Marketing Actions

The State remains committed to fair and equal housing opportunities in all of its programs and initiatives. To meet the Affirmative Marketing requirements of the HOME program, project sponsors are required to develop a marketing plan. This plan indicates how the project will be marketed to the target income group required by the funding sources. In addition, all project sponsors are notified of and are required to comply with all applicable federal, State, and local laws prohibiting discrimination in housing.

DHCD requires sponsors to adopt affirmative marketing procedures and requirements. The Department will review draft strategies submitted with the project applications and require sponsors to submit their final or adopted strategies for review and approval before giving its final funding commitment. These procedures and requirements must include the project sponsor's methods for informing all parties of the fair housing laws and policies, requirements and practices that the owner must carry out to assure the widest possible outreach, record keeping requirements, and the method for assessing the marketing strategy.

Additionally, CHDO certification and recertification is in part based on compliance with affirmative marketing policy that includes annual participation in affirmative marketing activities.

VHDA provides loan servicing and asset management for all projects funded by DHCD. The VHDA staff inspects projects annually. Their management review includes verifying that the project has a marketing and resident selection plan that is consistent with all applicable requirements. If not in compliance, they will advise the owner and DHCD. VHDA will alert DHCD to any problems they observe in the implementation of a project's marketing plan and selection criteria.

Outreach to Minority and Women-Owned Business

Minority and women's business enterprise outreach requirements apply to all housing programs administered by DHCD. Project sponsors are required to facilitate participation by women-owned and minority-owned business enterprises. This includes dividing procurement for goods, services, and contracts, where possible, into small segments; establishing delivery schedules to encourage minority and women owned business participation; publishing notices via legal advertisement in regional newspapers of anticipated contracts, services, and procurement; maintaining solicitation lists; giving construction contractors copies of this solicitation list; including goals for women-owned and minority-owned businesses in construction contract documents; and, maintaining a register of all minority-owned and women-owned enterprises actually used.

Sponsors must provide DHCD with contract documents and individual project goals at the time that the project sponsor is preparing bid specification packages.

Project sponsors are responsible for requiring contractors to submit information on minority and women-owned enterprises.

DHCD is strongly committed to the establishment, preservation and strengthening of small, women- and minority- owned businesses. DHCD has adopted a Small, Women and Minority-Owned Business (SWAM) agency policy whereby businesses will be identified, solicited, and encouraged to participate in the procurement activities of the agency, and whereby records will be maintained, documenting such solicitation efforts and participation.

- Solicitations obtained under \$5,000 will include a written quote from one or more SWAM certified vendor. Exceptions must be approved by the Associate Director of Administration.
- Solicitations obtained over \$5,000 and up to \$50,000 will include a minimum of four valid sources, including a minimum of two SWAM certified vendors in writing or electronically.
- Solicitations over \$50,000 will include a minimum of six valid sources, including a minimum of four SWAM certified vendors in writing or electronically.
- Any solicitation wherein the aforementioned number of SWAM businesses cannot be solicited requires advanced approval and must be documented in the comments section of the purchase order for approval.
- The award will be made to the lowest responsive and responsible bidder; however, the award may be made to a reasonably-priced minority or women-owned business that not the lowest priced bidder.

HOPWA Program Narrative

This section of the CAPER covers the performance of the HOPWA program, including the distribution of funds among identified needs, the activities carried out by recipients of program funds, and a summary of HOPWA program beneficiaries.

The 2007-08 HOPWA program was administered through 13 project sponsors across the state of Virginia. These project sponsors served a total of 281 individuals with HIV/AIDS who primarily received:

- Short-term rent, utility, and mortgage assistance (STRUM);
- Tenant-based rental assistance (TBRA); and
- Supportive services.

Currently, the state HOPWA program encompasses 31,749 square miles. Based on the most recently available surveillance data from the Virginia Department of Health (covering through December 31, 2003), 2,775 persons were residing in one of the 92 localities under the state HOPWA program when their first positive HIV antibody test was performed. In 2003, 4,408 persons were residing in one of the localities under the state HOPWA program when they were first diagnosed with AIDS. These statistics are based on the number of cumulative cases of HIV and AIDS reported per locality through 2003, excluding deceased cases.

Emergency housing continues to present challenges for persons living with HIV or AIDS. Compared to suburban and urban counterparts, homeless shelters are not as readily accessible in rural areas, and those programs available are frequently open only to targeted homeless populations, such as victims of domestic violence or those with a physical or mental disability. In addition, consumers cannot satisfy programming requirements for employment and/or job training.

Housing needs of persons living with HIV or AIDS often mirror those of the disabled population. Consumers desire to live within close proximity of their primary medical providers and their support networks of family and friends and reside in housing that allows them to maintain maximum independence with access to needed community support systems. Tenants sometimes require accessible dwellings, yet cannot locate such units or afford to construct wheelchair ramps and add interior modifications.

Similarly, in the predominantly rural areas of the state HOPWA program, persons living with HIV and AIDS often struggle with the same housing deficiencies faced by other rural residents. For example, consumers frequently live in substandard living conditions which exacerbate their health conditions, such as lack of indoor plumbing, inadequate heating and cooling, faulty electrical systems and weakened structural elements (i.e. roofs and flooring). Due to limited housing affordability, consumers accept these inferior units and other unconventional housing situations.

Consumers with fixed incomes of approximately \$600/month are acutely rent-burdened, paying upwards of 80 percent of their income on housing expenses, particularly in suburban areas of Northern Virginia with extremely high rents. In addition, subsidized housing programs are closed, with waiting lists in excess of three years. Tenant-based rental assistance through the HOPWA program is often the only immediate option for permanent housing stability. Still, administrators have encountered difficulty identifying landlords in the respective service areas willing to work with housing subsidy programs due to the stigma arising from past subsidized housing experiences, conformance with Housing Quality Standards (HQS) inspections, and confusion concerning administrative requirements. Finally, due to the substance abuse histories of some consumers,

it is imperative that housing be located in appropriate neighborhoods not plagued with crime and drug trafficking, which can encourage substance abuse setbacks.

When the Department participated in the development of an HIV/AIDS Housing Plan, it found through surveys of Virginians living with HIV/AIDS that the large majority (72 percent) of respondents were earning less than \$1,000 per month. Nearly one-third were paying more than 50 percent of their income for housing. At the same time, about one-quarter reported that their income supported another person; 18 percent reported that their household included children. Two-thirds remained in the locality where their infection was first diagnosed. These survey respondents also indicated that many other factors other than their HIV status affected their daily lives and their ability to afford and maintain stable housing. These included substance abuse, a history of homelessness, criminal histories, and other disabilities.

To assist consumers with residential stability, service providers must complement housing services with supportive services. Some of the supportive services needs of persons living with HIV or AIDS are: case management (including life skills training), budgeting and/or credit counseling, transportation assistance through bus or taxi vouchers, support groups, and social activities, legal advocacy, landlord-tenant advocacy, food pantries, substance abuse treatment/intervention programs, and guidance in accessing entitlement programs for which they may qualify.

Project sponsors have been involved with several collaborative efforts related to the servicing HOPWA eligible clients. The most predominant collaboration is between the project sponsors and their local health departments. The health departments provide case management services that are funded through Ryan White. These health departments are subcontractors for Ryan White Title II funding and very close coordination assures no overlap of services. Ryan White CARE Act funds have assisted clients to obtain medical care, medications, diagnostic tests, and nutritional supplements that clients cannot afford. Also, project sponsors have decreased the transportation expenditures since Ryan White Title II funds also pay for transportation services. In most cases, case managers at the health departments monitor transportation funded by Ryan White Title II. These collaborative efforts allow project sponsors to direct HOPWA funds toward housing needs – tenant based rental assistance, short-term rental, utility, and mortgage assistance.

2007-08 HOPWA Project Sponsors			
Subgrantee (Project Sponsor)	Service Area(s)	Housing Activities	Supportive Services
A. Accomack-Northampton Housing & Redevelopment Corporation	Counties of Accomack and Northampton	<ul style="list-style-type: none"> Short-term rent, utility and mortgage payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Resource identification Housing counseling
B. Blue Ridge AIDS Support Services, Inc. (BRASS)	Counties of Lee, Scott, Wise, Buchanan, Dickenson, Russell, Tazewell, Washington, Grayson, Smyth, Wythe, Bland and Carroll and Cities of Bristol, Norton, and Galax. Counties of Appomattox, Amherst, Bedford and Campbell and Cities of Lynchburg and Bedford. Counties of Roanoke, Botetourt, Craig, Alleghany, Montgomery, Pulaski, Giles and Floyd and Cities of Roanoke, Salem, Clifton Forge, Covington and Radford. Counties of Henry, Patrick and Franklin and City of Martinsville	<ul style="list-style-type: none"> Short-term rent, utility and mortgage payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Resource identification
B1. Appalachian AIDS Coalition, Inc.	Counties of Lee, Scott, Wise, Buchanan, Dickenson, Russell, Tazewell, Washington, Grayson, Smyth, Wythe, Bland and Carroll and Cities of Bristol, Norton, and Galax	<ul style="list-style-type: none"> Short-term rent, utility and mortgage payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Case management Transportation Food/food bank Support Group
B2. Lynchburg Community Action Group, inc.	Counties of Appomattox, Amherst, Bedford and Campbell and Cities of Lynchburg and Bedford	<ul style="list-style-type: none"> Short-term rent, utility and mortgage payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Case management Transportation Food/food bank Support Group
B4. West Piedmont AIDS Task Force	Counties of Henry, Patrick and Franklin and City of Martinsville	<ul style="list-style-type: none"> Short-term rent, utility and mortgage payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Case management Transportation Food/food bank Support group
D1. AIDS Response Effort, Inc.	Counties of Shenandoah, Page and Frederick and City of Winchester	<ul style="list-style-type: none"> Short-term rent, utility and mortgage payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Case management Food/food bank Resource identification
D2. AIDS/HIV Services Group	Counties of Albemarle, Greene, Louisa, Nelson and Fluvanna and the City of Charlottesville	<ul style="list-style-type: none"> Short-term rent, utility and mortgage payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Case management Resource identification
D3. Fredericksburg Area HIV/AIDS Support Services	Counties of Stafford, Spotsylvania, Caroline, King George, Madison, Fauquier, Orange, Rappahannock, and Culpeper and the Cities of Fredericksburg and Culpeper	<ul style="list-style-type: none"> Tenant-based rental assistance 	<ul style="list-style-type: none"> Case management Resource identification
D4. Valley AIDS Network	Counties of Rockingham, Bath, Rockbridge, Augusta, Highland, Page and Shenandoah and the Cities of Buena Vista, Lexington, Staunton, Waynesboro, and Harrisonburg	<ul style="list-style-type: none"> Short-term rent, utility and mortgage payments Tenant-based rental assistance 	<ul style="list-style-type: none"> Case management Resource identification
E. Piedmont Community Services	Counties of Henry, Patrick and Franklin and City of Martinsville	<ul style="list-style-type: none"> Short-term, emergency rental assistance Project-based rental assistance Housing counseling 	<ul style="list-style-type: none"> Transportation Food/food bank Support group Resource identification Child Care Case Management Substance Abuse Counseling

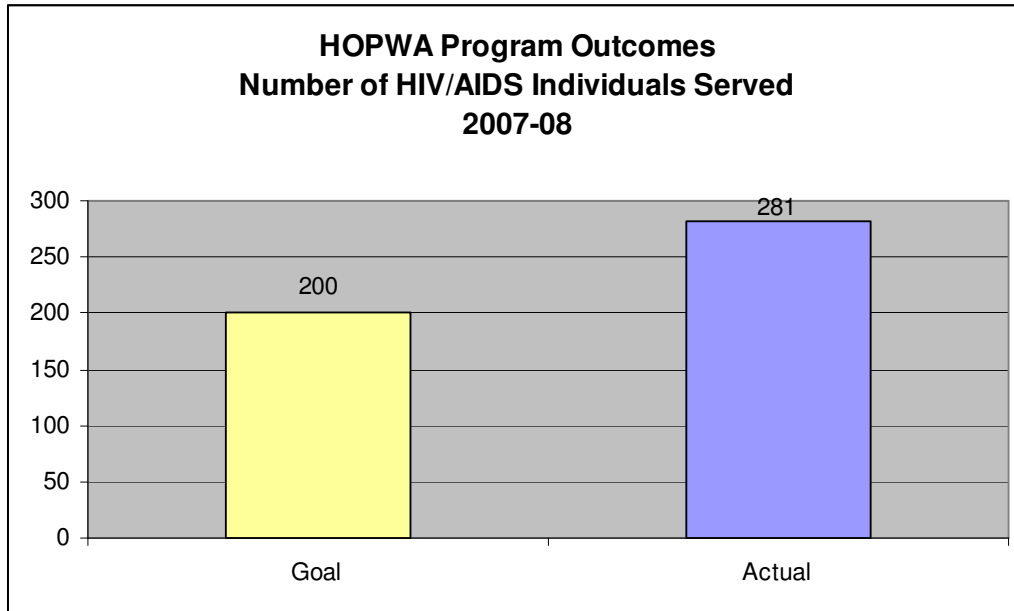
2007-08 HOPWA Project Sponsors			
Subgrantee (Project Sponsor)	Service Area(s)	Housing Activities	Supportive Services
Project Faith	King George	<ul style="list-style-type: none"> • Facility based • Tenant-based rental assistance 	<ul style="list-style-type: none"> • Case Management
Pittsylvania Community Action Inc.	Pittsylvania, Danville	<ul style="list-style-type: none"> • Tenant-based rental assistance • Short-term rent, utility and mortgage payments • Permanent housing placement 	<ul style="list-style-type: none"> • Case Management
G. Scenario, Inc.	Counties of Essex, Middlesex, Lancaster, Richmond, Northumberland and Westmoreland	<ul style="list-style-type: none"> • Short-term rent, utility and mortgage payments • Tenant-based rental assistance 	<ul style="list-style-type: none"> • Case management • Nutritional services/supplements • Transportation • Substance abuse treatment and counseling

HOPWA Program Accomplishment

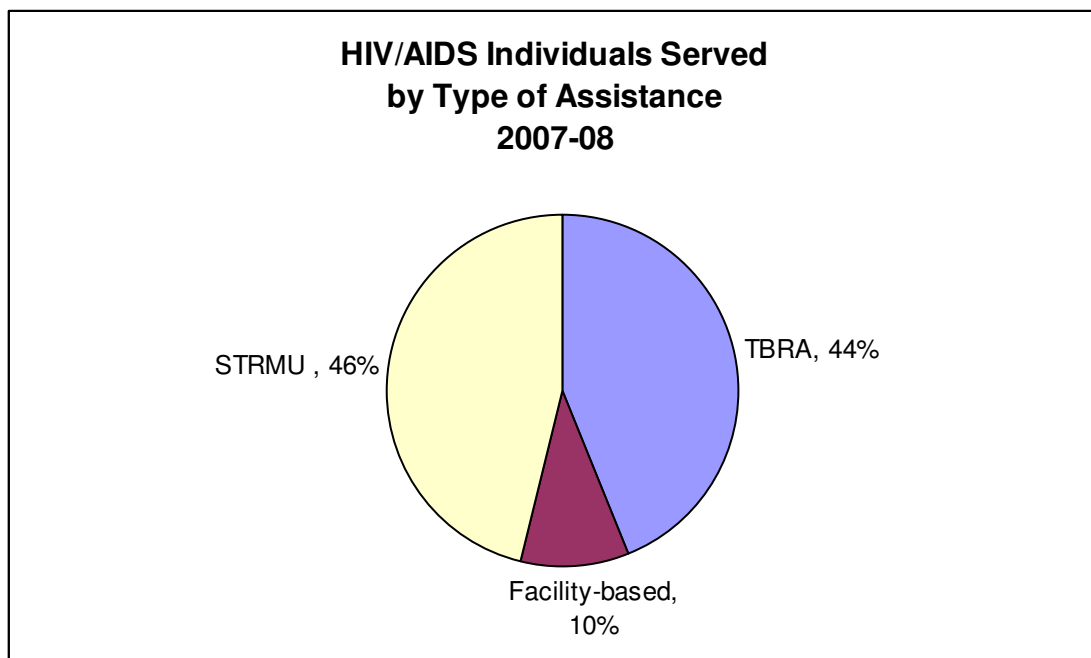
The Department has met its requirements for obligating HOPWA within one year and expending the HOPWA allocations within a five-year time period. To date, 100 percent of 2006-07 and 2007-08 allocations have been obligated/committed and 100 percent has been expended to eligible HOPWA activities.

The Department sought to provide housing assistance to 200 low-income individuals with HIV/AIDS. At year end DHCD had project sponsors served 281 individuals with HIV/AIDS and their families.

Detailed demographic data needed for the full HOPWA CAPER are not available at the writing of this report due to an unresolved IDIS System error with IDIS report PR72. The Department has made requested technical assistance June 2008.



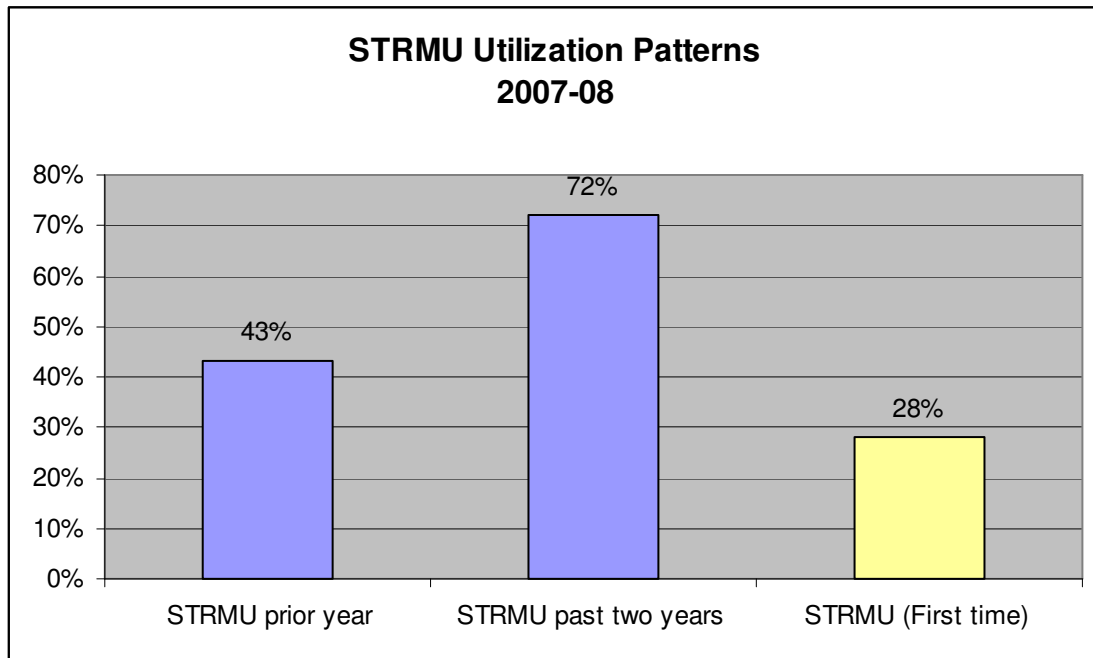
Ten percent of those individuals receiving housing assistance through the state HOPWA program received facility-based assistance. The remaining clients were assisted with tenant-based rental assistance (TBRA) (44 percent) or with short-term rent, mortgage, and utility assistance (STRMU) (46 percent).



Source: CO4PR80

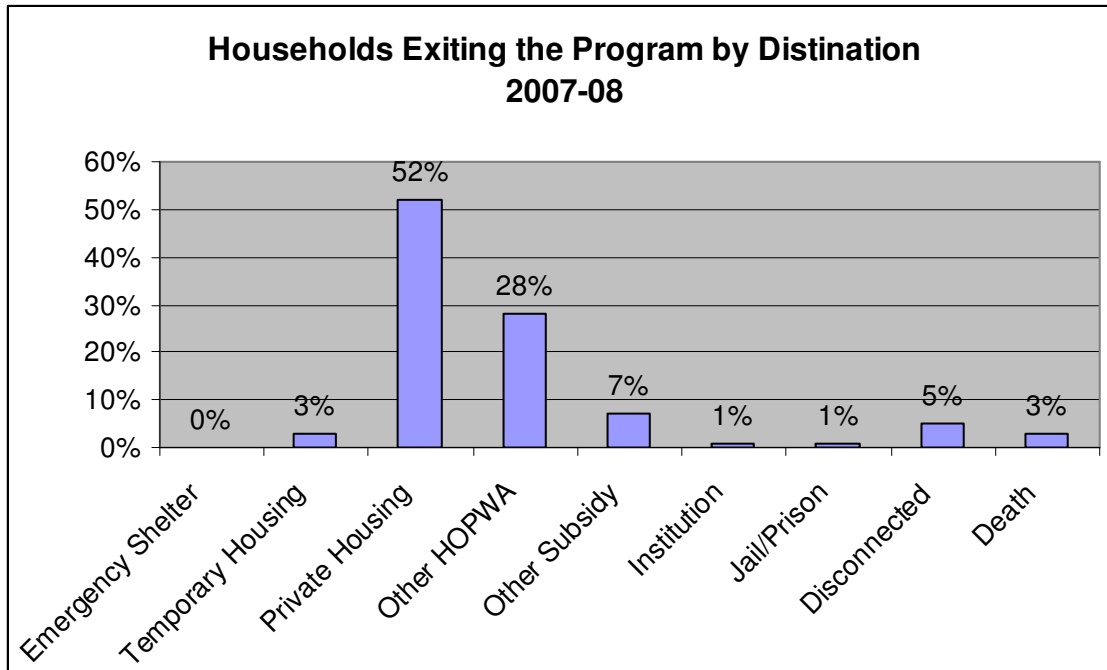
Ten percent or 13 STRMU assisted households received assistance with their mortgages. Forty-three percent of households assisted had received STRMU

assistance in the prior year and 72 percent had received STRMU at some point within the past two years.



Source: CO4PR80

A total of 164 household exited the state HOPWA program during the program year. Almost all (94 percent) of the households exited the program to stable housing.



Source: CO4PR80

Emergency Shelter Grant (ESG) Program Narrative

The Emergency Shelter Grant program is a significant component of the state's overall effort to address a variety of needs of the homeless and for homelessness prevention, as previously discussed in the Continuum of Care section. The primary use of the federal funds component is to support of homeless shelter providers through the shelter support services program, which allocated both state and ESG funds to 118 shelter providers across the state.

Assessment of Relationship of ESG funds to goals and objectives

During the 2007-08 program year, the Emergency Shelter Grant funded 3,103 beds through 118 homeless services providers across the state of Virginia.

These funds leverage other needed resources through the state included a state shelter support program and TANF funding made available through the Department of Social Services to address homeless needs in Virginia communities.

The total costs of providing shelter and supportive services to homeless individuals and families as reported by ESG shelter providers during the 2007-08 program year was \$26,690,689 including ESG, other federal and state financial support, funding from local governments, and other private resources.

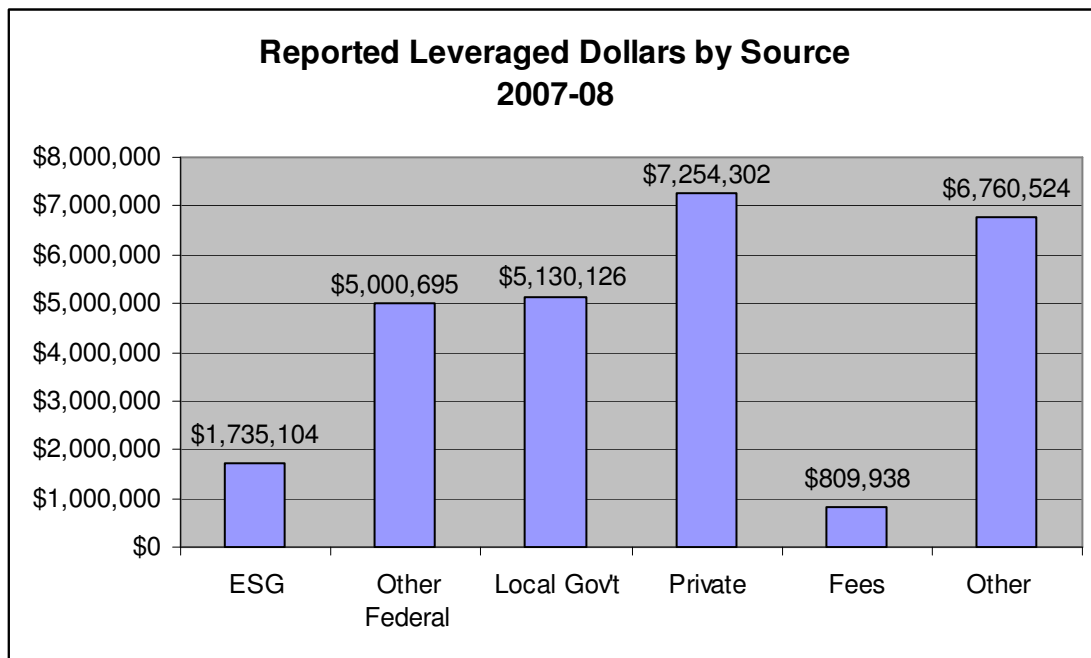
The shelter providers supported in part by the ESG component addressed two key state strategies for meeting the overall priority of providing additional support

and coordinated services for the state's homeless population. These included (1) continuing to provide safe and sanitary emergency shelter that meets basic needs and provides necessary supportive services and (2) increasing the availability of transitional housing facilities and services.

Additional discussion of the use of ESG funds in conjunction with other funding sources in meeting the Consolidated Plan's homeless and homelessness prevention priorities may be found in the "Continuum of Care" section of this report.

Matching Resources

ESG requires a one-to-one match on federal funds awarded. The match is derived from DHCD's requirement that all subrecipients of ESG awards provide the necessary match by submitting a budget indicating the amount and source of the match provided. Match sources were generally local funds, state funds, United Way contributions, private donations, volunteer hours, and some in kind contributions. The periodic monitoring of ESG subrecipients on a regular basis following departmental procedures ensured continued compliance with federal requirements, including match expenditures of at least \$1,561,778. Total leveraged non-federal resources during the 2007-08 program year are \$19,954,890.



Source: CO4PR81

State Method of Distribution

The federally-funded ESG program provides funding to emergency shelter and transitional housing programs to support shelter maintenance, operation,

essential services, and administrative funding in non-entitlement areas of Virginia.

For the 2007-08 program year 70 percent of the shelter grantee's allocations were based on a "per bed" allocation. Another 15 percent of the allocation was based on project sponsors' utilization rates, and an additional 15 percent was based on specific levels of case management that a grantee provides.

All ESG grantees selected for funding during the 2007-08 program year had funding commitments executed within one month of DHCD's HUD authorization of funding. Specifically, ESG funding commitments were executed on July 5, 2007 (with the exception of one sub-grantee commitment not made until August 2, 2007). All 2007-08 sub-grantee activity commitments are 100 percent drawn (2007, IDIS PR02).

Eligible applicants for ESG are nonprofit organizations, units of local government, and public housing authorities who currently provide, or plan to provide, shelter and services for homeless individuals or families in Virginia.

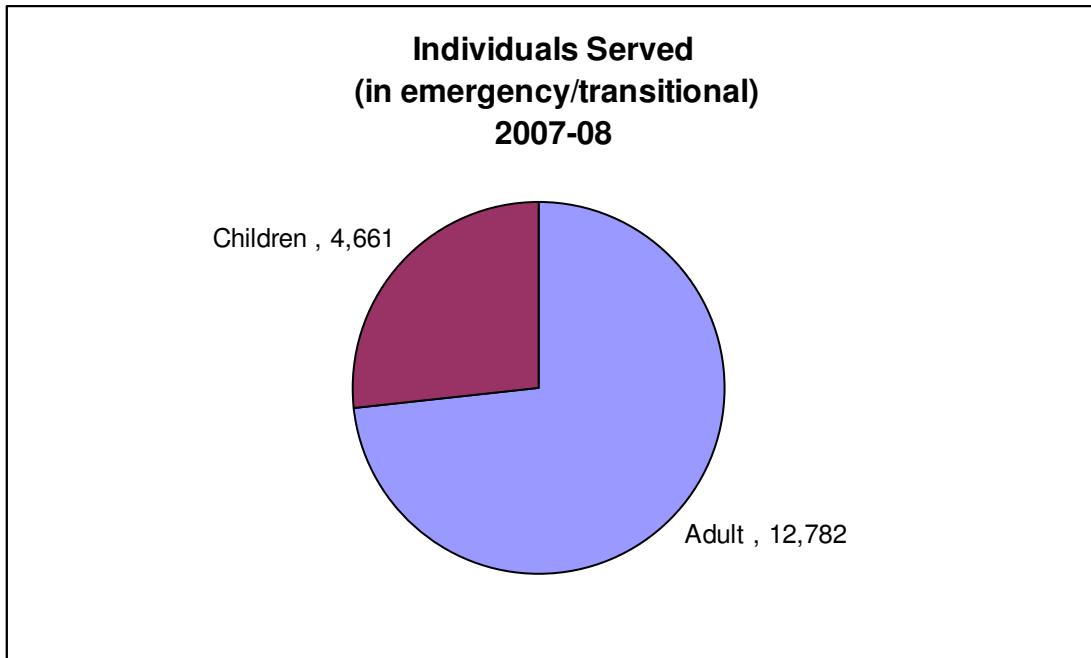
ESG funds may not be used for any of the following activities:

- persons who are not homeless
- prevention activities
- emergency shelter when payment or compensation is required
- transitional housing or any other housing for the homeless if:
 - the applicant receives a HUD supportive housing grant, Section 8 Program Subsidy, or any other government rental subsidy to operate the facility
 - rents charged exceed 30 percent of the resident's income
 - the total annual income from rents exceeds 50 percent of the last year's total budget for the transitional housing program
- staff costs exceeding 10 percent of the award
- purchase of real property
- building conversion, shelter renovation, rehabilitation or repair, or the costs associated with these activities
- the provision of beds for which third party payments are received
- costs associated with audits
- purchase of computers
- travel or staff training.

Activity and Beneficiary Data

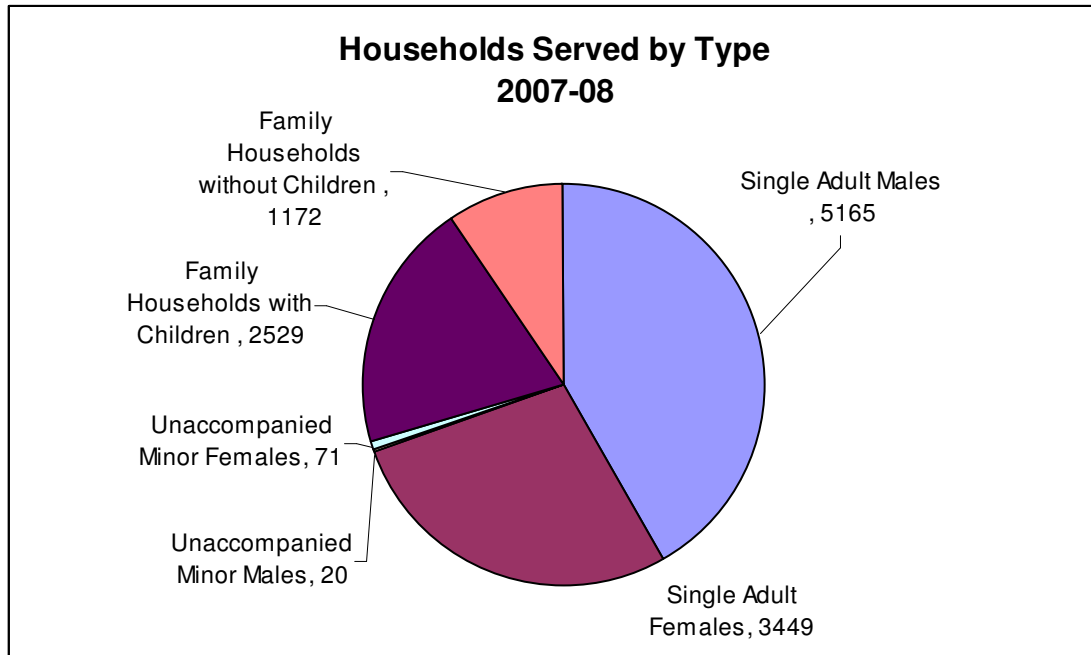
The \$1,661,707 in ESG funds administered through the Department served to provide shelter operating costs and administrative costs to support 3,103 ESG funded beds and non-residential services. Supported beds include both emergency shelter beds and transitional housing. During the 2007-08 program

year 17,651 of individuals were served through these programs through the shelter program and non-residential services. At least 4,661 of these individual were children under the age of 18.

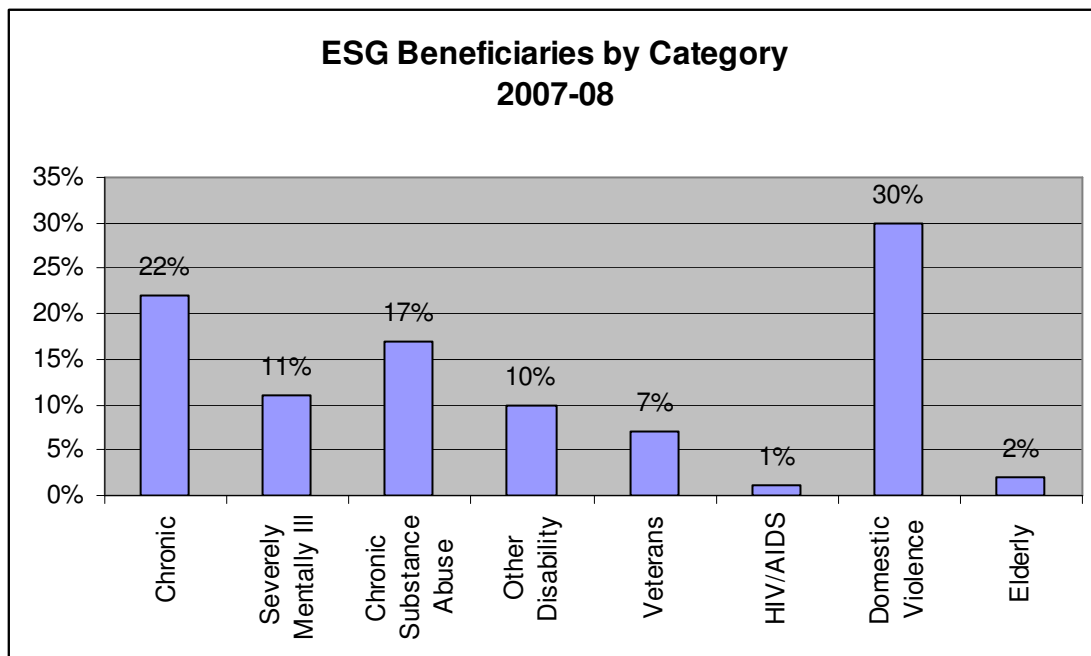


Source: CO4PR81

About 70 percent of the 12,408 households served were single households and an additional 91 households were unaccompanied minors.



Source: CO4PR81



Source: CO4PR81

Note: The sum of beneficiary categories is greater than 100 percent due to some beneficiaries being included in more than one category.

Homeless Discharge Coordination

The Commonwealth has developed and implemented, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly-funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons.

Additionally the Department facilitates a governor appointed council of state agencies. The council, the Virginia Inter-Agency Council on Homelessness (VIACH) is charged with developing a plan to end homelessness and is responsible for facilitating planning and cooperation among state agencies that are collectively providing services to individuals and families experiencing homelessness. VIACH is currently beginning the process of updating the ten year plan to end homelessness.

Attachments



Virginia Department of Housing
and Community Development

Small, Women and Minority – owned businesses (SWAM) Policies and Procedures

- On July 30, 2004, the Governor's office mandated that each agency and institution of the Commonwealth shall adopt an annual Small, Women and Minority – owned businesses (SWAM) Procurement Plan.* Please review the agency SWAM Procurement Plan located in the SWAM section of this guide.
- DHCD is strongly committed to the establishment, preservation and strengthening of small, women- and minority- owned businesses. These businesses will be identified, solicited and encouraged to participate in the procurement activities of the agency and records will be maintained documenting such solicitation efforts and participation.
- Solicitations obtained under \$5,000 will include a written quote from one (1) or more SWAM certified vendor. Exceptions must be approved by the Associate Director of Administration.
- Solicitations obtained over \$5,000 and up to \$50,000 will include a minimum of four (4) valid sources, including a minimum of two (2) SWAM certified vendors in writing or electronically.
- Solicitations over \$50,000 will include a minimum of six (6) valid sources, including a minimum of four (4) SWAM certified vendors in writing or electronically.
- Any solicitation wherein the aforementioned number of SWAM businesses cannot be solicited requires advanced approval and must be documented in the comments section of purchase order for approval.
- If buying staff is unable to locate or solicit a quote from a SWAM vendor, please contact the Procurement Office.
- The award will be made to the lowest responsive and responsible bidder; however, the award may be made to a reasonably priced minority or women owned business that is other than the lowest priced bidder

- When a SWAM vendors price is considered unreasonable please solicit more than one or the required minimum.

- **Documentation requirements**

A detailed record of the quotations must be kept with the file for audit purposes. If more than one quote is solicited, the award should be made to the lowest responsive and responsible bidder. Documentation for phone, fax, or written quotes **shall include:**

- Names and addresses of the vendors contacted
- SWAM designation (Small, Women-Owned or Minority Business)
- Detailed item description or service requested/offered
- The quoted price
- Delivery dates and/or F.O.B. point
- Vendor contact person(s) providing prices
- Date the information was obtained

If the SWAM vendor is not DMBE certified, complete the purchase with them and document the file as outlined above, but encourage them to contact the Department of Minority Business Enterprise to become certified.

If adequate competition is not available, document the procurement file with the efforts made to include the appropriate number of minority or women-owned businesses. Because of these new requirements, procurement planning that ensures that the requisite SWAM vendors are included is very important.

Exceptions

The only exceptions to these requirements are when the procurement is issued against a DHCD or state contract.

Vendor Registrations

Vendors need to be registered in the following areas:

- eVA - Need to verify that the vendor is an eVA registered vendor before issuing a purchase requisition or purchase order.
- DMBE - SWAM vendors must be certified with the Department of Minority Business Enterprise.

Locating SWAM Vendors

One source for locating certified minority businesses can be found on the DMBE Web site at: <http://www.dmb.state.va.us/vendors.html>

** For instructions on locating a SWAM vendor please review the DMBE Vendor Search section of this guide.*